

NEWS SUMMARY

GENERAL
NUR in move to avert rail strike

The NUR has given the go-ahead for talks aimed at averting the national rail strike threatened to start on June 28.

The NUR executive called for BR and unions to hold a meeting of the Railway Staffs National Council, today.

Earlier BR chairman Sir Peter Parker, in a letter, delivered a stark warning to 225,000 rail employees saying further industrial action would lead to "no pay increase and no job to come back to for many of you."

Aslef leader Ray Buckton described Sir Peter's letter as "a crude attempt at blackmail."

BUSINESS
\$ rises sharply in London; £ slips

DOLLAR rose sharply to DM 2.434 (DM 2.42), FF 6.745 (FF 6.7225), SwFr 2.0955 (SwFr 2.076) and ¥252.8 (¥251.6). Its trade-weighted index was 119.5 (118.9). Page 42

STERLING lost 1.1c on the day to close in London at \$1.7505. It slipped to DM 4.2625 (DM 4.265) and FF 11.3075 (FF 11.3375), but improved to SwFr 3.67 (SwFr 3.66). Its trade-weighted index was 91.5 (91.4). Page 42

GOLD rose \$1.75 in London to \$317.25. In New York the Comex June close was \$317. Page 30

SILVER bullion spot quotation in London was 26p down at the morning fixing at \$21.1 (\$2.45) a troy ounce, its lowest since December 1978, but the market recovered slightly in the afternoon, reflecting the weakness of sterling. Page 30

Gunmen kill five

Five men, including three policemen, were killed and a woman injured when a car carrying a Mafia chief to jail in Sicily was attacked by gunmen.

Terror girl jailed

Reeder-Meinhold Group member Siegfried Hofmann, extradited from France in 1980, was jailed for 15 years in Frankfurt for her part in the killing of a West German banker in 1977.

Ship abandoned

The 34 crew of the Oden Williams (30,687 tons) were rescued after abandoning the sinking tanker in the Caribbean. The ship carried 250,000 barrels of crude oil.

MP detained

Zimbabwe security agents detained black MP Vota Moya, a close aide to Opposition leader Joshua Nkomo. No reason has been given.

Train deaths

Three died and 137 were injured in a train crash in China after workers went to eat ice lollies and left tools on the track, the People's Daily said.

Jet crashes

The crew of a U.S. F-4 fighter died when their jet crashed in northern Germany.

Sanctions urged

The Organisation of African Unity urged banned nationalist groups in South Africa to step up fight against apartheid and called for mandatory sanctions against the country.

World Cup

England beat France 3-1, with Robson (2) and Mariner the scorers and Algeria gained a surprise 2-1 win over West Germany. Five English supporters were held after a Bilbao bar stabbing.

Grade leaves

Lord Lew Grade left the entertainment empire he built. Associated Communications Corporation, after 27 years. Page 10

Cash moves

Midland Bank Access credit card holders will be able to use their cards to draw up to £100 a week from the bank's 400 auto-bank machines. Page 10

Puffin threat

Puffins on Lundy, in the Bristol Channel, are facing extinction. Their population has fallen from 7,000 to 100 in 40 years, owing to attacks by other birds and oil production.

Ale and farewell

Nearly 1,000 pints of beer ran down drains when a brewery factory shed its load in Burton on Trent.

Briefly...

Laidbrokes has made Roy Jenkins 4-7 and David Owen 5-4 for the election of SDP leader.

Belgium's majority Flemish population is growing at twice the rate of the country's French speakers, census results showed.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISES		FALLS	
Bassett (George)...	74 + 4	Alpine Soft Drinks	72 - 3
Berlford (S. W.)...	136 + 4	BPB Tods	418 - 4
British Sugar	470 + 10	Blue Circle	448 - 10
Cable and Wireless	268 + 6	Extel	338 - 7
Cropper (J.)	153 + 5	Ferranti	727 - 18
Minel	209 + 7	GKN	151 - 8
Naisio	120 + 20	Hawker Siddeley	330 - 8
Rofe and Nolan	84 + 6	Martonair	228 - 10
Romledge K Paul	250 + 8	NatWest Bank	438 - 7
Smith St Aubyn	32 + 3	Saatchi and Saatchi	385 - 20
Tesco	65 + 8	Ward and Goldstone	65 - 5
		Wilks Faser	480 - 8

Britain presses Argentina to confirm end to hostilities

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

BRITAIN yesterday highlighted the worsening plight of the up to 15,000 Argentine prisoners in the Falklands in what was seen in part as an attempt to keep up the pressure on the junta to confirm that hostilities are over.

Rear-Admiral John "Sandy" Woodward, the commander of the British task force, warned that he could not shelter so many troops from the Force Ten gales and blizzards blowing in from the Antarctic. Temperatures of minus 20 centigrade have been reported in the snow.

"They are already suffering from malnutrition, exposure (in some cases hypothermia), trench-foot, scabies and diarrhoea," he said in a signal released yesterday.

Britain has said it will return all prisoners only after Argentina had confirmed that hostilities were at an end, a pledge which it considers an important step towards reducing the chances of continuing harassment from the Argentine mainland.

However, by last night it was evident that the prisoners were becoming a liability as well as a bargaining counter. Britain had hoped to receive support from Argentina in shipping back the bulk of the prisoners.

But Admiral Sir John Fieldhouse, the commander of the British fleet, reflected the growing anxiety in Whitehall when he attacked the "sheep disregard" of the Argentine junta for the prisoners.

"With all these human beings in a very sad and sorry state, we are getting absolutely no co-operation whatsoever

the 250 men who have died in the Falklands, but our casualty toll has been remarkably light, given the circumstances." Lt-Gen. Sir Richard Grant referred to the fact that 3,000 fighting men had been put ashore and not one had died in the landing.

Defence correspondents were yesterday invited to share in a day of congratulations at Fleet Headquarters at Northwood, London. Admiral Sir John Fieldhouse, commander in chief fleet, said: "The day before we landed at San Carlos we had 26,000 men ashore. I regret every one of

from the Government of Argentina," he told a Press conference at the operations headquarters of the task force at Northwood, Middlesex.

Admiral Fieldhouse said that a "lot of partly-starved men" were in exposed conditions and, according to reports from Port Stanley, civilians say Argentine soldiers are taking bones from dogs.

There was some uncertainty yesterday over the number of prisoners involved. General Mario Benjamin Menéndez, the Argentine garrison commander, said that he had 14,800 men under his command, but another Argentine officer put the figure at about 8,000.

However, the Ministry of Defence in London said last night that even with the lower figure the problems were acute, particularly after the loss of 4,500 tons on the Atlantic Conveyor which was sunk by Argentine missiles.

Mr Francis Pym, the Foreign Secretary, said that the Argentine prisoners should provide a "huge incentive" for the junta to accept that hostilities had ended. But last night some officials in London were suggesting that General Leopoldo Galtieri, the Argentine President, might fear that the sight of returning frost-bitten prisoners could prove fatal to his regime.

Britain has offered a formula for the declaration of the end of hostilities which deals with only the present. There is little faith in London that any promise regarding the future would be kept.

The approach was made through the Swiss Government and other countries have been encouraged to ask Argentina to state whether hostilities are at an end. When Mr Leo Tindemans, the Belgian Foreign Minister, asked Britain on behalf of the EEC if the fighting was over, he was asked to address the question to Buenos Aires.

Britain is seeking to use EEC trade sanctions against Argentina as a means of ensuring that it is not left with a lonely Antarctic fortress under attack from the mainland.

Mr Pym said yesterday that some EEC members would be making "the strongest

representations" to Argentina to insist on an end to threats on the islands.

The British view is that for the moment EEC support is firm and there is little immediate risk of the line breaking. Officials were also very pleased with a message of support for the British position which was given by the U.S. to Sir Nicholas Henderson, the British Ambassador in Washington on Tuesday.

One element of British diplomacy is to stress that the Falkland Islands are not returning to the situation before the Argentine invasion. British missiles abroad have been instructed to underline that Mr Rex Hunt is not going back as a colonial governor and that the islands will be democratically run with a considerable degree of local autonomy.

Mrs Margaret Thatcher, the Prime Minister, may emphasise this during her speech to the UN special session on disarmament next week.

The Foreign Office appears to believe that with the exception of the problem of handling prisoners, Britain has won a breathing space for itself abroad. Officials believe that the Government's firm stance towards the Argentines and the issue of their participation in the islands' future is essential after so much "blood and treasure" has been spent.

But there is wide official relief that the taking of Port Stanley cost few lives. For the moment Britain appears to feel that it is too early to make direct moves to repair relations with Latin America.

Falklands crisis, Page 6

U.S. envoy seeks formula to save West Beirut

BY ANTHONY McDERMOTT IN BEIRUT AND DAVID LEMMON IN TEL AVIV

LEBANESE leaders and Mr Philip Habib, the special U.S. envoy, were trying desperately yesterday to find a formula to save West Beirut from destruction. Meanwhile Israeli forces, reportedly backed by Phalangist artillery, fought their way closer to the capital.

An estimated 6,000 Palestinian guerrillas have taken up positions in and around West Beirut and vowed to fight to the last if Israeli troops and their Lebanese Christian allies try to evict them.

Mr Chafik al Wazzan, the Lebanese Prime Minister, was reported to have gone into West Beirut last night for direct talks with Mr Yasser Arafat, chairman of the PLO, but also said that the PLO had asked for talks with Mr Habib.

In Washington there were suggestions that President Ronald Reagan might refuse to meet Mr Menshem Begin, the Israeli Prime Minister, in Washington next Monday as scheduled if Israeli troops attempted a direct assault on West Beirut.

Mr Haig, the U.S. Secretary of State, is due to hold talks tomorrow with Mr Andrei Gromyko, the Soviet Foreign Minister, and the two men are certain to devote some time to Lebanon.

Syria, which has a treaty of friendship and co-operation with the Soviet Union, has rejected Israeli demands to pull back its estimated 1,000 troops from near Beirut. Israeli advances yesterday

Continued on Back Page
Middle East, Page 4

Ceasefire hopes recede as internal wrangles deepen

BY JIMMY BURNS IN BUENOS AIRES

DIVISIONS WITHIN the Argentine armed forces deepened yesterday, making increasingly remote the prospect of a firm public commitment by the military junta to cease all hostilities.

The junta, and in particular President Leopoldo Galtieri, is under intense political pressure to resign from sectors of the military and the civilian opposition.

Yet the junta is reported to be reluctant to make any public statement formalising the surrender of Argentine troops and the end of the war with Britain for fear of further damaging its public image.

Sr Nicor Costa Mendez, the Foreign Minister, yesterday formally handed his resignation

to President Galtieri. On Tuesday the Foreign Minister had suggested that the entire Cabinet should resign and leave the President free to choose a government more acceptable to public opinion.

It is understood, however, that ministerial changes have been ruled out by President Galtieri for the time being on the grounds that they might exacerbate political instability.

The President also seems to feel that accepting resignations from his ministers would further weaken his position. In a broadcast to the nation on Tuesday night that Argentina's battle for Port Stanley was over but he did not say his forces had surrendered. He added that

Argentina would never give up its struggle to obtain sovereignty over the islands. He was speaking soon after the cancellation of a scheduled speech from the balcony of the presidential palace following serious rioting against the government. Among slogans chanted by the demonstrators were "traitors," "the military junta is a national disgrace," "it's over, it's over, the military dictatorship is over" and "give us rifles-sovereignty or death."

By yesterday afternoon, the junta had still not released publicly details of ceasefire terms agreed on Monday by General Jeremy Moore, British Commander on the Falklands.

Continued on Back Page

Record £42.7m profit for Tesco

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE TESCO supermarket chain showed yesterday that it is fighting back in the struggle to become Britain's leading grocery retailer a battle it has been losing to Sainsbury over the past couple of years.

Tesco surprised the City with a 20 per cent increase in pre-tax profits for the year ending February 27 1982. Profits were up by £7.1m on the previous 12 months to a record £42.7m.

The better-than-expected figures brought an 8p rise in Tesco's share price, which closed yesterday at 65p.

Tesco's increase in turnover, however, was less impressive than the profits rise, sales were up 9.5 per cent from £1.9bn to £2.1bn.

Exact comparison between the two years is slightly complicated by the fact that the previous financial year, ending February

1981, contained 53 weeks while the past year had 52.

The relatively small turnover increase is probably the main reason for Tesco's decision last month to re-launch its "Operation Checkout" price-cutting campaign, first mounted in 1977.

Early indications are that the campaign has not been the runaway success it was in 1977, and the chain's main high street rivals have so far not felt it necessary to respond in any significant way. Tesco said yesterday that the new campaign had been "well received with turnover forecasts being achieved."

Operation Checkout is also aimed at enabling Tesco to catch up with Sainsbury in terms of market share for package groceries. It is currently about two percentage points behind Sainsbury, which has some 15.5 per cent of the market.

Tesco, however, has restored some of its reputation for low prices by its campaign and is now level with Sainsbury in terms of keen pricing, although both supermarkets are still behind Asda.

The company also announced yesterday that it was opening 16 new stores in its current financial year, adding about 569,000 square feet of selling space.

Details, Page 28
Tesco's dash for market share, Page 24
Lex, Back Page

£ in New York

	June 15	Previous
Spot	\$1.7610-7828	\$1.7710-7740
1 month	0.34-0.39	0.28-0.33
3 months	1.21-1.26	0.97-1.08
18 months	4.15-4.25	3.58-3.75

CONTENTS

Health service dispute: the ancillary workers' viewpoint	26
U.S. anti-trust policy: the all-purpose merger	27
Technology: Patcentre warning to Western managers	17
Jobs column: kill or cure challenge to headhunters	20
Business law: the vital needs of insolvency law	23
Management: Tesco's dash for market share	24
Editorial comment: Channel tunnel: Indochina	26
Lombard: Jonathan Carr on how West Germans see detente	2
Eurobonds: prices and quotations	35-40
Survey: accountancy	13-16

American News	7	European News	2.3	Management	24	TV and Radio	23
Appointments	41	European Options	29	Men & Matters	28	UK News	
UK	41	Foreign Markets	31	General	29	Labour	9.10
International	32	Money Markets	42	Overseas News	4	Unit Trusts	43
Appts. Advng.	17-22	Gold Markets	42	Parliament	12	Others	43
Arts	25	Int. Companies	31-33	Racing	22	Authorised	62
Basis Rates	22	Jobs Column	20	Share Information	44, 45	Weather	48
Commodities	30	Leader Page	28	Stock Markets	41	World Trade News	8
Companies UK	28, 29	Letters	27	London	41	ANNUAL STATEMENTS	
Contracts	41	Lex	24	Wall Street	24	Blockades	28
Crossed-out	25	Source	24	Caracas	29	Capital	29
Exam. Indicators	8	Technology	17	A. G. Stanley	28		
Entertain. Guide	25	London Options	28				

For latest Share Index phone 01-246 8026

Japan places TV at arm's length

BY ALAN CANE IN LONDON AND RICHARD HANSON IN TOKYO

INFORMATION, entertainment and communications for everybody, everywhere at the press of a button has been brought a step closer with the news that an offshoot of Japan's Seiko watch group has devised a flat television screen which can be worn on the wrist.

While the development announced by Suwa Seiko can only be used for receiving conventional TV broadcasts, it is significant in that the shrinking of the liquid crystal circuitry into a wrist device has broken yet another size barrier in information technology.

The use of liquid crystal, widely employed in electronic calculators, instead of the traditional picture tube means that the device needs very little electricity. The Seiko model

appears to be capable of a high degree of resolution, compared with larger prototype liquid crystal televisions announced by two other electronics companies in Japan. Seiko's 1.2 inch screen has 32,000 dots, compared with about 20,000 dots in a four-inch display developed by Hitachi two years ago.

It is expected to be at least six months before mass production of the watch TV is feasible. The three-part unit will probably sell in Japan for about ¥100,000 (£226).

The TV is part of a slightly oversized ordinary electronic wrist watch with digital time

Continued on Back Page

● The world's first wristwatch television developed by Seiko



Central London Modern Freehold Office Investment

Overlooking River Thames

201,000 sq. ft.
Twin Towers/22 Storeys

First Class Specification
Full Air-Conditioning
Ample Car Parking
Excellent Transport Facilities

The whole let for 30 years to two Government Tenants on full repairing and insuring leases and producing a net income of £1,588,300 p.a. exclusive, reviewable in an upwards direction only every five years

Knight Frank & Rutley
20 Hanover Square
London W1R 0AH Tel: 265384 01-629 8171

EUROPEAN NEWS

Solidarity moderates call for 'national accord'

BY CHRISTOPHER BOBINSKI IN WARSAW

AN INFLUENTIAL group of Solidarity trade union moderates in Warsaw has drawn up an 18-page policy document urging that the union should come to terms with the authorities in what it terms a "state of national accord."

The document has been passed to Mr Zbigniew Bujak, the clandestine head of the union's Warsaw region, and it still has to win his approval. However, he is inclined to favour moderate solutions and the document represents an answer to radicals in the movement who are arguing that the union must organise a general strike to regain lost ground.

The radical leadership of the Gdansk region, headed by Mr Bogdan Lis, yesterday called for a 15-minute protest strike. It is intended to mark the deaths six months ago of eight miners who resisted security forces who were trying to break a strike against martial law at the Wulke mine in Silesia.

In Warsaw, yesterday police patrols were doubled to guard against attempts to place a

Consumer spending up 72% in May

CONSUMER SPENDING grew by 72 per cent in Poland last month, outstripping earnings growth which was 61 per cent above May last year, according to Government figures, writes Christopher Bobinski. But, in spite of the massive price increases earlier this year which reduced real incomes by almost a quarter, incomes still exceed spending and the inflationary savings "overhang" continues to mount.

In another attempt to level out incomes and the supply of goods to the shops, the Government is planning further increases in the

autumn in public transport fares and in the prices of alcohol, tea and coffee. Prices in May, meanwhile, rose by 3 per cent over April. The chances of increasing the supply of consumer goods are small as industrial production continues to fall, declining by 8.7 per cent over the first five months, albeit a slower rate. The main cause is the fall in the manufacturing industries, whose imports from the West are down 43 per cent, a result of the Western credit freeze.

By contrast, the coal, sulphur and copper industries

report a 14.3 per cent growth at constant prices over the first five months, compared with the same period in 1981. According to the central statistical office, 323 key enterprises had to interrupt output last month because of shortages of raw materials, equipment and semi-finished products.

Hard currency imports reached Zl 110bn (£728m) between January and May, a fall of 43 per cent. Exports were worth Zl 181bn (£1,060m), a drop of 8 per cent, leaving a Zl 51bn (£327m) balance of trade surplus.

another form of "special powers."

Recent leaks to the Western Press along these lines have been aimed at testing the reaction of party and army hardliners, the general public, and Poland's Soviet bloc neighbours.

For its part, the Solidarity document argues that the authorities must be pressed by the

commemorative plaque to the miners in the centre of the capital's Victory Square.

At the same time, moderate elements among the authorities have begun to hint that the forthcoming National Day on July 22 may be used to declare an amnesty and to make a serious effort at resolving the trade union issue. Martial law might even be replaced by

union's underground movement into freeing the inmates, lifting martial law and guaranteeing trade union liberties, including the reinstatement of Solidarity. It warns, though, that the movement must guard against polarising official opinion around the hardliners, and must offer constantly the chance of future co-operation.

In a reference to the political

ambitions of last year, the document says Solidarity must "strengthen its self-limiting mechanisms" and that there can be no return to before December 13.

The union must not be afraid of "joining the system" which, it declares, was one of the myths to which the union subscribed in the past.

The document suggests that the union should enter into a "front of national accord" which would include the Communist Party, its two allied parties, the army, the Roman Catholic Church and the three trade union movements. This front, it suggests, would provide a forum for resolving conflicts and would prepare a single list for national and regional elections to Parliament. These are due in 1984.

It also underlines that the trade unions, the workers' self-management movement and the Government must work together to save the economy. In a reference to the union radicals, the document admits that overthrowing the Government is a "crystal clear political solution" but it assumes that the union "cannot only carry out the revolution but also defend it." It warns against a repeat of December 13 (when martial law was imposed) "only in a Soviet form."

Hopes and fears greet Portuguese devaluation

By Diana Smith in Lisbon

THERE HAS been mixed reaction to Portugal's 9.5 per cent devaluation of the escudo against most of the 18 currencies of the country's main trading partners. Exporters hope for improved business, but economists are concerned about the impact on Portugal's balance of payments on current account.

Awareness of the latter possibility discouraged the financial authorities from devaluing the currency sooner, but last weekend's realignment of European currencies provided an unavoidable spur.

Portugal has 1m emigrants living in France — an important trading partner — and their savings, remitted home, are a precious contribution to invisible earnings. The substantial devaluation of the franc has raised very serious questions about the flow of these savings in a year when they had already stagnated.

The negative impact on the trade account, however, cannot be underestimated. First, Portugal imports all its oil and, thanks to past droughts and chronic inefficiency, about three-quarters of its foodstuffs.

Second, with rigid and not very diversified industrial output, import demand is an inescapable fact of life, whether for components, capital equipment or consumer goods. After repressed consumer demand during the austerity years of 1977-79, the market has been having its revenge.

For the past 18 months, the middle classes have gone on a spending spree, acquiring cars, domestic appliances, gadgets and imported clothing. The recent credit squeeze has dampened some of that furious demand.

Last year, Portugal had a \$2.7bn balance of payments deficit, the worst in its history. Incurred largely as a result of a \$5.6bn visible trade gap, current account deficit of \$2bn was forecast this year before devaluation.

With heavy service, a third of its short-term, on the \$10bn foreign debt, the extra burden caused by devaluation on visible and invisible outlays may be a severe threat to any benefits derived from increased tourism or remittances.

Soviet industry steps up output but still falls below target

BY ANTHONY ROBINSON IN MOSCOW

SOVIET INDUSTRY made an attempt to recoup lost ground last month and pushed the January-May growth in industrial output up to 2.6 per cent compared with only 2.1 per cent over the first four months of the year, according to the weekly Economic Gazette.

Growth is still well below the annual target of 4.7 per cent, but some key sectors like cement and coal recovered from earlier depressed levels. Steel production, at 82.2m tonnes, remained well below target, however.

Oil output rose 0.4 per cent to 207m tons for the five-month period and gas remained the star performer at 207bn cubic metres, 8 per cent above last year's level.

Evidence that higher gas production is a somewhat mixed blessing, however, came earlier this month when Pravda, the Communist Party daily, complained about "wasteful production methods in the im-

portant Urengoi deposits of Western Siberia.

Businessmen in the West also cast doubt on the gas production figures because they do not tally with the consumption of gas-treatment chemicals needed to process raw gas before it is suitable for transport. "Either they are burning off some of the gas or running untreated gas, and therefore highly corrosive, gas through their pipelines," one Western chemical expert said.

AP-DJ reports from Leningrad: Vassili Dinkov, the Soviet-Gas Minister, told an industry conference here yesterday that the development of natural gas reserves in the Urengoi field will be stepped up, to yield eventually 300m cubic metres a year.

He said the gas-bearing area totals more than 5,000 square kilometres, and that planned production in the upper gas zone will be 250bn cubic metres a year.

Second well-known Milan businessman disappears

BY RUPERT CORNWELL IN ROME

THE DISAPPEARANCE, under threat of an arrest warrant, of a second well-known figure in the Milanese financial world has added to the mood of anxiety, titillation and confusion gripping stock markets and politicians here.

The latest absentee is Sig. Bruno Tassan Din, managing director of Rizzoli, Italy's biggest publishing group. He is a key figure in the controversy surrounding the company and the Corriere della Sera newspaper which it owns.

Sig. Tassan Din is wanted in connection with alleged irregular dealings in shares of a small insurance company. However, he is reported to have left the country, apparently for Switzerland.

His departure follows less than a week after the disappearance of Sig. Roberto Calvi, president of Banca Ambrosiana, which heads the country's largest private sector financial group, with total assets of some \$20bn.

Both were members of the now disbanded P-2 Freemasons.

Lodge and were linked by the Rizzoli affair. Last year, La Centrale, a financial company controlled by Ambrosiano, acquired a 40 per cent stake in the heavily-indebted publishing group.

Yesterday, shares of La Centrale plunged a further 12 per cent, after Monday's fall of 13 per cent. The development contributed to an overall 3 per cent slide in prices on the Milan Bourse, already worried by the Calvi affair and the prospect of uncomfortable measures shortly to tackle Italy's large public sector deficit.

The Bank of Italy confirmed yesterday that it had sent a team of experts to Milan to conduct a new probe of Ambrosiano, especially of its foreign operations. Sig. Giovanni Spadolini, the Prime Minister, meanwhile, discussed the question with Sig. Beniamino Andreotta, the Treasury Minister.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$35.00 per annum. Second Class postage paid at New York, N.Y. and at additional mailing offices.

Christopher Bobinski in Warsaw reviews prospects for would-be holidaymakers

Stay-at-home summer for Polish tourists

THIS YEAR, Poland's border crossing points will not see a repeat of the scenes of the late 1970s, when long queues of cars full of holidaymakers, children and luggage, stretched for miles and inched forward—sometimes for a day—waiting for customs clearance.

This year, the flood will be down to a trickle and, as with many things since the imposition of martial law last December, summer holidays will not be easy. Prices have gone up two and threefold. This includes holidays, and travelling abroad will also be expensive for the few who can get permission.

So far the authorities are only issuing passports to pensioners and those who travel on business. There are rumours that restrictions might be lifted for the summer. They probably stem from private statements by the more enlightened politicians like Mr Mieczyslaw Rakowski,

the deputy premier, who recognises that "Poles can't be kept cooped up within closed frontiers."

Even if such statements are translated into decisions there is unlikely to be any repeat of last year's migration, when visits to the West doubled compared with 1980. Then, West Germany topped the league and played host to over 381,000 Poles, compared with 177,000 the previous year.

Austria may be less attractive for its scenery than for its facilities for refugees, came second best with 123,000 visitors. Italy and France followed with around 100,000 visits each.

This year, however, Western consular officials will be taking much more than a cursory glance at any hopeful Polish tourist, well aware that the temptation to stay in the West is greater than ever.

Those lucky enough to get both a passport and a Western visa will still be affected by the freeze on hard currency deposits in Polish banks, which allow for total withdrawals of \$400 (£232) for travel abroad.

The tourist flow is unlikely to be redirected to the resorts of Poland's East European partners. Last year's restrictions on the politically suspect and relatively destitute Poles are still in force and tourist possibilities are regulated by annual trade agreements, which leave little room for holiday spending. Enquiries at a Polish travel agent as to the prospects of sightseeing on the Soviet Union produced a bemused "No".

Czechoslovakia, the next most ideologically tight-lipped, and suspicious of the average Pole's penchant for experimenting with their system is offering rather expensive ther-

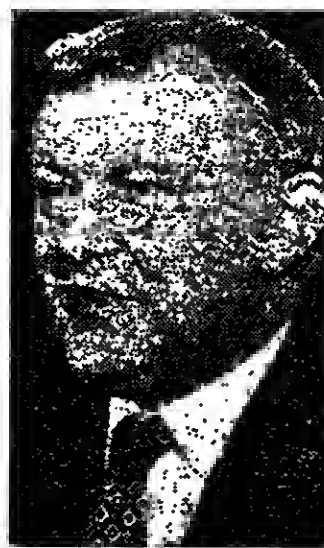
apeutic holidays, presumably in a sanatorium.

East Germany, where Polish visits dropped by half compared with 1980 when the travel restrictions were introduced, is offering no more than guided tours, all no doubt under strict control.

Hungary seems the most relaxed and is ready to welcome 50,000 Poles this year, while Bulgaria is opening the door a little to its Black Sea coast.

The prices are steep, however—sometimes three times the national average monthly wage for a two-week stay. And this leaves most families with the prospect of a holiday in Poland.

Probably quite a few will not go away at all this year. They will rely on allotments or, like Mr Miroslaw Kowalski, a young journalist, on weekend homes belonging to friends for their dose of sun and fresh air.



Mieczyslaw Rakowski: travel restrictions might be lifted

Fly to Manhattan free. With TWA.



Fly to New York by TWA First Class or Ambassador Class, and you can take our helicopter service from our own terminal at JFK airport to the East 34th Street heliport in midtown Manhattan.

It'll save you a lot of time—it's only about 8 minutes flying time.

It'll save you a lot of money—up to \$30 cab fare.

On your return trip you can check-in at East 34th Street if you haven't already

reserved your seat and collected your boarding cards you can do it there, and whirl off to JFK.

Free again.

Think of the time and money you'll save flying to New York TWA.

It's just another service from the airline that offers so much.

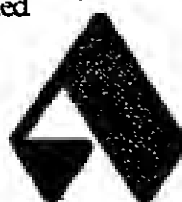
See your TWA Main Agent for details.

You're going to like us



In International Banking the A comes first.

The Abecor A that is. Because Abecor is the biggest banking association of its kind in the world. It is an association of 9 leading European banks with total assets exceeding \$400 billion US Dollars. Network Through the member banks, Abecor has a network of 12,000 branches in 120 countries. So Abecor gives international businessmen the best opportunity of all to deal with an organisation that's both locally based and internationally strong. Services The complete international banking service includes economic intelligence, financial advice, credit facilities, detailed information from local banks—and it's all as close as the member bank in your country.



Abecor

Barclays is the Abecor Bank in Britain.

Abecor—the member banks.

Algemeene Bank Nederland
Banca Nazionale del Lavoro
Banque Bruxelles Lambert
Banque Nationale de Paris
Barclays Bank
Bayerische Hypotheken- und Wechsel-Bank AG (HYPO-BANK)
Dresdner Bank AG
Österreichische Länderbank
Banque Internationale à Luxembourg
Associated Member
Banque de la Société Financière Européenne

EUROPEAN NEWS

Bundesbank boosts money market liquidity

BY STEWART FLEMING IN FRANKFURT

THE BUNDESBANK moved yesterday to add new permanent liquidity into the West German money markets by announcing that it would raise the rediscount quota of the banking sector by DM 5bn (£1.17bn) next Wednesday.

Banks will then be able to secure funds from the Bundesbank at the cheap discount rate of 7.5 per cent in exchange for bills. This is instead of funding themselves with Lombard credit at 9 per cent or through the short-term repurchase agreements which the central bank has been carrying out monthly this year also at rates of around 9 per cent recently.

The decision, announced after the meeting of the bank's council yesterday, was seen as another—albeit cautious—step to the process of relaxing monetary policy.

The need for caution was underlined by Herr Karl Otto Pöhl, the Bundesbank president. He told the cabinet he expects U.S. interest rates to remain high this year limiting the scope for cuts in European interest rates, particularly in West Germany.

Some market participants in Frankfurt were taken by surprise by the decision and opinions on its significance were divided. It was generally accepted that the realignment of currencies within the European monetary system had given the Bundesbank more scope to concentrate on domestic monetary policy.

The questions which remain open, however, concern the extent to which the decision is a largely technical move ahead of the seasonally strong liquidity needs of the banks, or whether

it represents a signal underlining the central bank's increasing pre-occupation with the domestic economy's weakness.

These leaning towards the second interpretation pointed out that the move goes against the recent trend in longer term interest rates in the past few weeks. The bond markets have suffered a setback in this period with yields now rising to around 9.2 per cent after having been as low as 8.75 per cent for government issues at the end of April.

It was pointed out, too, that the Bundesbank has taken its decision to make cheaper credit permanently available to the banks at a time when the dollar is strong on the foreign exchange markets and the D-Mark has sunk under the DM 2.40 level.

On this view the bank would appear to be taking some risks on the currency rate side in order to demonstrate its determination to counter, in so far as it can, recessionary forces to the economy.

That the Bundesbank's room for manoeuvre in current circumstances is restricted was underlined by the West German Banking Association which issued a statement saying that there is no room for domestic interest rates to fall at present.

The more technical interpretation of the decision is that money market rates are unlikely to change significantly as a result of yesterday's move, since they are determined largely by the 9 per cent Lombard rate which, significantly, remained unchanged. Thus, it will help the banks secure funding, costs and profits but

will not affect lending charges significantly.

It is recognised, too, however, that there is growing official concern about the outlook for the economy, which is showing little or no sign of reviving in the second half of the year.

Yesterday, for example, Dr Karl-Heinrich Oppenlander, president of the IFO economics institute, said that new orders figures showed no evidence of a revival of economic activity.

More pessimistic economists are pointing out that, on the contrary, even export orders are weakening. These have been the only buoyant sector of the economy. At the same time, the domestic recession is leading to an ever rising tide of company failures which hit record levels last year and are running even higher so far this year.

Grassroots pressure stiffens French union fight over pay freeze

BY DAVID HOUSEGO IN PARIS

UNION HOSTILITY to a wages freeze in France appeared to stiffen yesterday under pressure from rank-and-file members.

The determination to avoid any loss of purchasing power is bound to exacerbate the difficulties of M. Pierre Mauroy, the Prime Minister, who meets employers and unions today to discuss the Government's post-devaluation measures. The meeting is seen as critical to the Government's hopes for any long-term slowdown in the rate of price and wage increases.

Indicative of its pessimism at achieving a voluntary wages restraint policy, the Cabinet decided at its weekly meeting yesterday that it would ratify next Wednesday legislation to suspend wage increases until October 31. The Communist-led CGT union (the largest in the country) would probably prefer a freeze to be imposed by the National Assembly than to negotiate it voluntarily.

Delegates at the CGT congress in Lille gave the loudest ovation to speakers who denounced incomes restraint.

By contrast, the point most worrying M. Andre Bergeron, head of the centrist Force Ouvrière union, is that legislation would deal a damaging blow to the tradition of collective bargaining.

Employers on Tuesday made clear their opposition to a prices freeze, ensuring that the Government will come under today from both sides of industry who are distrustful of its policies.

The meeting comes against the background of unemployment falling marginally on uncorrected figures but still rising on an adjusted basis. Figures for May, published yesterday, showed a 2.2 per cent



M. Mauroy: difficulties increased

fall in the number of jobs to 1.83m on an uncorrected basis compared with April. But, on adjusted figures (which reflect a lag in the trend), unemployment rose slightly to 2.9m. In June, the official statistics bureau, has predicted that unemployment will rise more sharply after the summer.

The technical difficulties that the Government is having in imposing a strict prices and dividend distribution freeze became clearer yesterday. The ruling on imports is that margins are blocked but that importers and industrialists can pass on increases in costs as a result of higher import prices brought about by the devaluation.

An important query arises over dividends in that some companies have already distributed them and others would have done so during the coming months.

'Dallas' escapes Dutch blackout

By Walter Ellis in Amsterdam

A strike by radio and television technicians employed by the Dutch State broadcasting system has failed to have the feared impact.

Some 5,000 technicians seeking shorter working hours and more pay refused to work on Tuesday evening, but although most radio broadcasts were off the air, nearly all television programmes went out.

The prospect of a day without television had dominated the Dutch popular Press, and the failure of the strikers to black out television screens was greeted with relief yesterday.

Dutch radio and television, although State controlled, is run by public companies. Its content is much more self-consciously informative and educational than is normal in the West, and it is often criticised by outsiders for being Calvinist and dull.

Nevertheless, a strike was viewed with alarm as the people of the Netherlands contemplated the withdrawal of such programmes as "Dallas," which, like most imports, is extremely popular.

In the Netherlands, J. R. Ewing's shooting was shown only recently, and his father, Jack, remains head of the Ewing clan.

Union officials representing the 5,000 technicians employed by the broadcasting system, NOS, are planning further strikes.

The Dutch Government is expected to announce spending cuts of at least £11bn (£2.34bn) this year and next in an interim budget today aimed at curbing a growing financing deficit, Reuter reports.

Bonn to increase net borrowing by £1.6bn this year

BY JONATHAN CARR IN BONN



Herr Schmidt: economy still strong

THE WEST GERMAN Government has agreed to increase its net borrowing this year by DM 7.1bn (£1.6bn) to DM 33.9bn (£7.9bn) but says its aim still remains to take up less credit in future years.

The cabinet decision yesterday means that virtually all of the supplementary budget for 1982 is being financed by borrowing rather than through additional savings. However, both government coalition parties — Chancellor Helmut Schmidt's Social Democrats as well as the liberal Free Democrats — agree that this action is legitimate this year.

It is noted that the extra money is needed because of an economic growth rate slower than expected. This itself means extra payments of about DM 5bn (£1.17bn) for the unemployed and a shortfall in tax revenue of more than DM 2bn (£468m).

OIL COMPANIES operating in West Germany are pushing through a revision round of price increases, the fifth and largest of recent weeks, in try to cut heavy losses on their oil refining and marketing operations, writes Kevin Done in Frankfurt.

Despite the latest price rise of 5 pfennig per litre, most oil companies are still operating in the red. According to Herr

Hans-Georg Pöhl, chief executive of Deutsche Shell, the companies need further increases of as much as 20-25 pfennig per litre to regain profitability.

Petrol prices, at around DM 1.40 per litre for four star, are still 4-5 pfennig below prices prevailing a year ago and are well below the peak of around DM 1.58 reached last September.

If the state were now to tighten its belt further, it is argued, the economy would be depressed still more. Another, just as weighty, argument is that it is hard to find areas where some DM 7bn (£1.6bn) of savings could be made.

What Schmidt told his ministers that, despite these problems, this week's revaluation of

the D-Mark, as well as the improvement in the country's current account, showed that the West German economy remained basically strong and vital.

He also underlined that Bonn must continue to try to limit its credit intake, so that every possible chance could be given for a further fall in interest rates and thus for an economic

upswing. While both coalition parties have agreed fairly easily on the supplementary budget, their talks (which also began yesterday) on the regular budget for 1983 are bound to prove more difficult. Indeed, it is widely believed that the coalition could split on the issue.

Herr Manfred Lahnstein, the Social Democrat Finance Minister, has proposed that savings of around DM 8bn be made in next year's budget, and that the net credit intake for 1983 be increased from the DM 26bn originally planned to about DM 30bn.

The Free Democrats maintain that still greater savings should be made—not least on the social security system which the SPD is keen to defend above all. Hence the tensions, markedly increased by the dismal performance of both parties in recent local elections.

Race fears kindled by court case in West Berlin

BY LESLIE COLITT IN BERLIN

A DECEPTIVELY routine legal wrangle in West Berlin, which is regarded as one of the most tolerant of West German cities, has aroused the concern of those who fear that race riots may not be far away.

The court case involves the owners of a West Berlin tenement, who applied to evict tenants to obtain the flats for themselves. Such cases are frequent—although often it is property speculators who evict tenants.

But the owners of 80 Bürgermeisterstrasse in West Berlin's Tempelhof district are five Turkish gasbarber families, who recently scraped together DM 270,000 (£64,283) to buy the four-storey building. The tenants are all West Germans.

The Turks had lived for more than 10 years in abominable conditions. One family of five was housed in a three-room flat without a bath and a toilet up a flight of stairs.

The Turks decided the only way to find decent housing for themselves and their 28 children was to buy their building. The new owners offered the tenants several months rent free if they would move voluntarily. The tenants had, however, no interest in leaving their flats in which they had invested a considerable amount of money and time on repairs.

The Turks followed up the eviction notices saying they needed the flats for themselves—the only way to remove tenants in such cases. The

tenants rejected the notices, saying they were being subjected to a "social hardship" and one of the Turkish owners went to court.

At this point, the occupants of the building hung protest signs outside their windows cursing squatters who occupy well over 150 buildings in West Berlin.

However, the signs did not merely protest against the evictions. They accused the Turkish gasbarber of driving the tenants from their flats and said foreigners were trying to expand their interests at the cost of West Germans.

The quickly found support. A mass circulation West Berlin newspaper opened its columns to letters from irate readers.

Several Berliners suggested the Turks had only managed to buy the building by misusing West Germany's family allowance benefits. Several questioned how five Turkish families had been able to put down DM 270,000 in cash on the table for a building.

The West Berlin court ruled that the Turkish family was justified in wanting to obtain an apartment in the building it owned, but that the West German family should be given a year before vacating the flat.

The West Berlin Justice Department, anticipating a public outcry, said that under West German civil law, foreigners have the same rights and obligations as West Germans.

Commission says 3% growth is in doubt

By John Wyles in Brussels

EEC GOVERNMENTS have been told by the European Commission that they are making relatively satisfactory progress towards achieving their 1990 energy guidelines, but the Commission is clearly sceptical about the reliability of the projections of some governments.

Although several member states are beginning to grapple with the energy implications of lower-than-expected economic growth over the next eight years, the Commission clearly regards Italian projections of 3.5 per cent annual growth and French forecasts of 3 per cent per annum as deeply suspect.

It says that average EEC growth of 3 per cent per annum "must now be in doubt" and that this implies lower than expected energy use, particularly of oil. But it points out that growth in electricity demand will also be affected and that investment in rational use of energy also looks likely to be reduced.

According to government forecasts, the Community's consumption of oil in 1990 will be 490m tonnes which will be 42.4 per cent of total gross primary energy consumption. This will bring it within bailing distance of the 40 per cent guideline which the EEC adopted in mid-1980.

However, the Commission says that its own preliminary analysis based on a 2 per cent annual increase in EEC growth points to oil consumption of around 450m tonnes. According to the report, oil market operators may be planning on a demand of around this level.

Another EEC guideline aims to reduce the coefficient between growth in energy and growth in gross domestic product to 0.7 or less.

Its growth projections are based on this should be achieved comfortably within the 1980-85 period, says the Commission.

But points to major variations between member states with Denmark on the one hand achieving a 0.24 ratio by 1985 while Greece's is forecast to rise from 1.25 to 1.38.

France aims to reduce the oil share to 30 per cent from 60 per cent through vigorous energy conservation and continued development of nuclear power.

West Germany's oil share will fall from 48 per cent two years ago to around 40 per cent through a 15 per cent increase in nuclear power up from 14 to 12 per cent primary energy demand. A 12 per cent increase in use of solid fuels and a growing role for natural gas.

Oil use in the UK could fall by 35 per cent on an average demand by 1990 with coal and nuclear energy providing 75 per cent of inputs in electricity generation. The energy coefficient is expected to fall to 0.52.

Industrial pollination.

the "Let's" Corporation

- TRADING
- SHIPBUILDING
- CONSTRUCTION
- TEXTILES
- ENERGY & RESOURCES DEVELOPMENT
- HEAVY CONSTRUCTION EQUIPMENT
- MACHINERY
- PLANT PROJECTS
- CHEMICALS
- FINANCE

DAEWOO
DAEWOO CORPORATION

C.P.O. BOX 2810, 1288, SEOUL, KOREA
TELEX: DAEWOO K2341/S, DWDEV K2444, K2388

BRANCH OFFICES IN EUROPE

FRANKFURT: Tel: (0511) 66331 Tlx: 414957 DAEWOO D
MUNICH: Tel: (089) 307703, 3084904 Tlx: 528302 DAWOO D
DÜSSELDORF: Tel: (021) 592030/592039 Tlx: 5857590 DAWOO D
VIENNA: Tel: 7555287/26712 Tlx: 134359 DWVW A LINZ: Tel: 10723, 5852817 Tlx: 2555 VAL A LONDON: Tel: (01) 884-5566 Tlx: 887073 DAEWOO G, 881435 DAEWOO G PARIS: Tel: 575-1530, 577-9713 Tlx: DAEWOO 250537 F MILANO: Tel: (02) 34-93-501, (02) 34-23-701 Tlx: 353554 DAEWOO I AMSTERDAM: Tel: (020) 178105 Tlx: 16714 DAEWOO NL STOCKHOLM: Tel: (08) 23-76-55 Tlx: 17095 DAEWOO S MADRID: Tel: 456-1213/1445 Tlx: 45499 DWMD E BRUSSELS: Tel: (02) 640-83-03/640-83-38 Tlx: 63807 DWBXL B ATHENS: Tel: 7700109, 7775706 Tlx: 210523 OWOO GR

EDUCATIONAL

FRENCH 66
Group under 16 and private lessons. (1) French and English courses. (2) French and English courses. (3) French and English courses. (4) French and English courses. (5) French and English courses. (6) French and English courses. (7) French and English courses. (8) French and English courses. (9) French and English courses. (10) French and English courses. (11) French and English courses. (12) French and English courses. (13) French and English courses. (14) French and English courses. (15) French and English courses. (16) French and English courses. (17) French and English courses. (18) French and English courses. (19) French and English courses. (20) French and English courses. (21) French and English courses. (22) French and English courses. (23) French and English courses. (24) French and English courses. (25) French and English courses. (26) French and English courses. (27) French and English courses. (28) French and English courses. (29) French and English courses. (30) French and English courses. (31) French and English courses. (32) French and English courses. (33) French and English courses. (34) French and English courses. (35) French and English courses. (36) French and English courses. (37) French and English courses. (38) French and English courses. (39) French and English courses. (40) French and English courses. (41) French and English courses. (42) French and English courses. (43) French and English courses. (44) French and English courses. (45) French and English courses. (46) French and English courses. (47) French and English courses. (48) French and English courses. (49) French and English courses. (50) French and English courses. (51) French and English courses. (52) French and English courses. (53) French and English courses. (54) French and English courses. (55) French and English courses. (56) French and English courses. (57) French and English courses. (58) French and English courses. (59) French and English courses. (60) French and English courses. (61) French and English courses. (62) French and English courses. (63) French and English courses. (64) French and English courses. (65) French and English courses. (66) French and English courses. (67) French and English courses. (68) French and English courses. (69) French and English courses. (70) French and English courses. (71) French and English courses. (72) French and English courses. (73) French and English courses. (74) French and English courses. (75) French and English courses. (76) French and English courses. (77) French and English courses. (78) French and English courses. (79) French and English courses. (80) French and English courses. (81) French and English courses. (82) French and English courses. (83) French and English courses. (84) French and English courses. (85) French and English courses. (86) French and English courses. (87) French and English courses. (88) French and English courses. (89) French and English courses. (90) French and English courses. (91) French and English courses. (92) French and English courses. (93) French and English courses. (94) French and English courses. (95) French and English courses. (96) French and English courses. (97) French and English courses. (98) French and English courses. (99) French and English courses. (100) French and English courses. (101) French and English courses. (102) French and English courses. (103) French and English courses. (104) French and English courses. (105) French and English courses. (106) French and English courses. (107) French and English courses. (108) French and English courses. (109) French and English courses. (110) French and English courses. (111) French and English courses. (112) French and English courses. (113) French and English courses. (114) French and English courses. (115) French and English courses. (116) French and English courses. (117) French and English courses. (118) French and English courses. (119) French and English courses. (120) French and English courses. (121) French and English courses. (122) French and English courses. (123) French and English courses. (124) French and English courses. (125) French and English courses. (126) French and English courses. (127) French and English courses. (128) French and English courses. (129) French and English courses. (130) French and English courses. (131) French and English courses. (132) French and English courses. (133) French and English courses. (134) French and English courses. (135) French and English courses. (136) French and English courses. (137) French and English courses. (138) French and English courses. (139) French and English courses. (140) French and English courses. (141) French and English courses. (142) French and English courses. (143) French and English courses. (144) French and English courses. (145) French and English courses. (146) French and English courses. (147) French and English courses. (148) French and English courses. (149) French and English courses. (150) French and English courses. (151) French and English courses. (152) French and English courses. (153) French and English courses. (154) French and English courses. (155) French and English courses. (156) French and English courses. (157) French and English courses. (158) French and English courses. (159) French and English courses. (160) French and English courses. (161) French and English courses. (162) French and English courses. (163) French and English courses. (164) French and English courses. (165) French and English courses. (166) French and English courses. (167) French and English courses. (168) French and English courses. (169) French and English courses. (170) French and English courses. (171) French and English courses. (172) French and English courses. (173) French and English courses. (174) French and English courses. (175) French and English courses. (176) French and English courses. (177) French and English courses. (178) French and English courses. (179) French and English courses. (180) French and English courses. (181) French and English courses. (182) French and English courses. (183) French and English courses. (184) French and English courses. (185) French and English courses. (186) French and English courses. (187) French and English courses. (188) French and English courses. (189) French and English courses. (190) French and English courses. (191) French and English courses. (192) French and English courses. (193) French and English courses. (194) French and English courses. (195) French and English courses. (196) French and English courses. (197) French and English courses. (198) French and English courses. (199) French and English courses. (200) French and English courses. (201) French and English courses. (202) French and English courses. (203) French and English courses. (204) French and English courses. (205) French and English courses. (206) French and English courses. (207) French and English courses. (208) French and English courses. (209) French and English courses. (210) French and English courses. (211) French and English courses. (212) French and English courses. (213) French and English courses. (214) French and English courses. (215) French and English courses. (216) French and English courses. (217) French and English courses. (218) French and English courses. (219) French and English courses. (220) French and English courses. (221) French and English courses. (222) French and English courses. (223) French and English courses. (224) French and English courses. (225) French and English courses. (226) French and English courses. (227) French and English courses. (228) French and English courses. (229) French and English courses. (230) French and English courses. (231) French and English courses. (232) French and English courses. (233) French and English courses. (234) French and English courses. (235) French and English courses. (236) French and English courses. (237) French and English courses. (238) French and English courses. (239) French and English courses. (240) French and English courses. (241) French and English courses. (242) French and English courses. (243) French and English courses. (244) French and English courses. (245) French and English courses. (246) French and English courses. (247) French and English courses. (248) French and English courses. (249) French and English courses. (250) French and English courses. (251) French and English courses. (252) French and English courses. (253) French and English courses. (254) French and English courses. (255) French and English courses. (256) French and English courses. (257) French and English courses. (258) French and English courses. (259) French and English courses. (260) French and English courses. (261) French and English courses. (262) French and English courses. (263) French and English courses. (264) French and English courses. (265) French and English courses. (266) French and English courses. (267) French and English courses. (268) French and English courses. (269) French and English courses. (270) French and English courses. (271) French and English courses. (272) French and English courses. (273) French and English courses. (274) French and English courses. (275) French and English courses. (276) French and English courses. (277) French and English courses. (278) French and English courses. (279) French and English courses. (280) French and English courses. (281) French and English courses. (282) French and English courses. (283) French and English courses. (284) French and English courses. (285) French and English courses. (286) French and English courses. (287) French and English courses. (288) French and English courses. (289) French and English courses. (290) French and English courses. (291) French and English courses. (292) French and English courses. (293) French and English courses. (294) French and English courses. (295) French and English courses. (296) French and English courses. (297) French and English courses. (298) French and English courses. (299) French and English courses. (300) French and English courses. (301) French and English courses. (302) French and English courses. (303) French and English courses. (304) French and English courses. (305) French and English courses. (306) French and English courses. (307) French and English courses. (308) French and English courses. (309) French and English courses. (310) French and English courses. (311) French and English courses. (312) French and English courses. (313) French and English courses. (314) French and English courses. (315) French and English courses. (316) French and English courses. (317) French and English courses. (318) French and English courses. (319) French and English courses. (320) French and English courses. (321) French and English courses. (322) French and English courses. (323) French and English courses. (324) French and English courses. (325) French and English courses. (326) French and English courses. (327) French and English courses. (328) French and English courses. (329) French and English courses. (330) French and English courses. (331) French and English courses. (332) French and English courses. (333) French and English courses. (334) French and English courses. (335) French and English courses. (336) French and English courses. (337) French and English courses. (338) French and English courses. (339) French and English courses. (340) French and English courses. (341) French and English courses. (342) French and English courses. (343) French and English courses. (344) French and English courses. (345) French and English courses. (346) French and English courses. (347) French and English courses. (348) French and English courses. (349) French and English courses. (350) French and English courses. (351) French and English courses. (352) French and English courses. (353) French and English courses. (354) French and English courses. (355) French and English courses. (356) French and English courses. (357) French and English courses. (358) French and English courses. (359) French and English courses. (360) French and English courses. (361) French and English courses. (362) French and English courses. (363) French and English courses. (364) French and English courses. (365) French and English courses. (366) French and English courses. (367) French and English courses. (368) French and English courses. (369) French and English courses. (370) French and English courses. (371) French and English courses. (372) French and English courses. (373) French and English courses. (374) French and English courses. (375) French and English courses. (376) French and English courses. (377) French and English courses. (378) French and English courses. (379) French and English courses. (380) French and English courses. (381) French and English courses. (382) French and English courses. (383) French and English courses. (384) French and English courses. (385) French and English courses. (386) French and English courses. (387) French and English courses. (388) French and English courses. (389) French and English courses. (390) French and English courses. (391) French and English courses. (392) French and English courses. (393) French and English courses. (394) French and English courses. (395) French and English courses. (396) French and English courses. (397) French and English courses. (398) French and English courses. (399) French and English courses. (400) French and English courses. (401) French and English courses. (402) French and English courses. (403) French and English courses. (404) French and English courses. (405) French and English courses. (406) French and English courses. (407) French and English courses. (408) French and English courses. (409) French and English courses. (410) French and English courses. (411) French and English courses. (412) French and English courses. (413) French and English courses. (414) French and English courses. (415) French and English courses. (416) French and English courses. (417) French and English courses. (418) French and English courses. (419) French and English courses. (420) French and English courses. (421) French and English courses. (422) French and English courses. (423) French and English courses. (424) French and English courses. (425) French and English courses. (426) French and English courses. (427) French and English courses. (428) French and English courses. (429) French and English courses. (430) French and English courses. (431) French and English courses. (432) French and English courses. (433) French and English courses. (434) French and English courses. (435) French and English courses. (436) French and English courses. (437) French and English courses. (438) French and English courses. (439) French and English courses. (440) French and English courses. (441) French and English courses. (442) French and English courses. (443) French and English courses. (444) French and English courses. (445) French and English courses. (446) French and English courses. (447) French and English courses. (448) French and English courses. (449) French and English courses. (450) French and English courses. (451) French and English courses. (452) French and English courses. (453) French and English courses. (454) French and English courses. (455) French and English courses. (456) French and English courses. (457) French and English courses. (458) French and English courses. (459) French and English courses. (460) French and English courses. (461) French and English courses. (462) French and English courses. (463) French and English courses. (464) French and English courses. (465) French and English courses. (466) French and English courses. (467) French and English courses. (468) French and English courses. (469) French and English courses. (470) French and English courses. (471) French and English courses. (472) French and English courses. (473) French and English courses. (474) French and English courses. (475) French and English courses. (476) French and English courses. (477) French and English courses. (478) French and English courses. (479) French and English courses. (480) French and English courses. (481) French and English courses. (482) French and English courses. (483) French and English courses. (484) French and English courses. (485) French and English courses. (486) French and English courses. (487) French and English courses. (488) French and English courses. (489) French and English courses. (490) French and English courses. (491) French and English courses. (492) French and English courses. (493) French and English courses. (494) French and English courses. (495) French and English courses. (496) French and English courses. (497) French and English courses. (498) French and English courses. (499) French and English courses. (500) French and English courses. (501) French and English courses. (502) French and English courses. (503) French and English courses. (504) French and English courses. (505) French and English courses. (506) French and English courses. (507) French and English courses. (508) French and English courses. (509) French and English courses. (510) French and English courses. (511) French and English courses. (512) French and English courses. (513) French and English courses. (514) French and English courses. (515) French and English courses

OVERSEAS NEWS

Business
almost
as usual
at bankBy Anthony McDermott and
Nora Gossany in Beirut

BANQUE DU LIBAN, the central bank in Lebanon, is attempting to carry on, against the odds, as though Israel had not invaded and encircled the capital.

Yesterday it announced the forthcoming issue of three sets of Treasury bonds. It also announced that from July 15 new L£100 notes would be in circulation, following the new L£50 notes due to be issued shortly.

The fighting, however, has taken its toll. The central bank has been shut all day on some occasions, for several hours on others, largely because its employees, who live mainly in Christian east Beirut, were loath to make the crossing to the western sector.

This has caused something of a crisis in interbank foreign currency operations.

About 100 banks are currently closed for fear of holdups by gunmen, but hitherto, the banking system has shown itself remarkably resistant to political strains and fighting.

In its report of 1981, the central bank said that total deposits in Lebanese banks had risen by 45.4 per cent—from L£27.3bn at the end of 1980 to L£39.7bn 12 months later.

This was in a year when there was a grave crisis between Syria and Israel over the former's missiles in the Bekaa valley, and heavy fighting between Moslems and Christians.

However, political uncertainty before the Israeli invasion had begun to take its toll. According to a study of the Lebanese economy published in the weekly al-Mustakbal, lending between January and March this year had slumped.

But the Government as a whole must be feeling the pinch, not just because of the material and human cost of the destruction, but because of the impossibility of gathering ordinary revenue.

For example, in pre-war times, it used to rely on Beirut airport for about half its revenue.

The airport is now closed and in that port, another source of income, illegal smuggling along the coast and fighting has strangled revenue.

Last year the Government managed to gather L£455m to fund planned budget expenditures of over L£2bn. Al-Mustakbal estimated that during the first three months of this year, the amount of revenue collected had fallen by 9 per cent, compared with the same period in the previous year. The prospects are now even bleaker.

DOMESTIC CRITICISM GROWS OVER INVASION

Israelis wonder how far General Sharon plans to go

BY DAVID LENNON IN TEL AVIV

DOMESTIC CRITICISM of the Israeli action in Lebanon is slowly beginning to surface, reflecting growing concern about the ultimate aim of a war which, it was originally stated, was started to push the Palestinians 25 miles north of the Israeli border so that they could no longer shell Israeli border towns.

Some people have expressed considerable alarm over the visit to the U.S. by Mr Menachem Begin, the Prime Minister, which has left the effective running of the war in the hands of General Ariel Sharon, the Defence Minister. Gen Sharon has been accused of having pushed his troops much further north than the original target.

Despite persistent denials by Israeli leaders of any intention of entering Beirut, many people here now believe that Gen Sharon has the bit firmly between his teeth, and will not finally end the war until he has

wiped out the Palestinian Liberation Organisation (PLO) in Beirut.

They also fear that he will seek a pretext to restart the fighting with the Syrians, so that his armour will then have the excuse to push the Syrian forces further east.

Though most people in the country and most newspapers appear to be supporting the action, or at least withholding criticism, some members of the main opposition Labour Party have begun to question the way the war has been allowed to expand.

During the party debate on Tuesday night, Rabbi-Menahem Cohen, a Labour Knesset member, said that eventually there should be a commission of inquiry to look into the circumstances of the war.

In his view, a lot of unnecessary blood had been spilled and he asked why the Labour Party had been silent while the opera-

West Bank councils dismissed

ISRAEL'S civil administrator, on the occupied West Bank, Professor Menachem Milson, yesterday dismissed the town councils of Nablus and Dura which, along with 20 other councils, have refused to co-operate with him for the past month, David Lennon writes. Earlier he had dismissed the mayors of Nablus and Ramallah.

The latest action, taken while the fight is still going on to destroy the Palestinians in Lebanon, underlines the extent of the apparent political aims of General Ariel Sharon, the Defence Minister, who believes that by crushing the PLO militarily, he will also weaken its political power among the Palestinians living under Israeli rule. Most West Bank towns are run by mayors and municipal

councils who staunchly support the PLO. After gradually dismissing all of these elected bodies, Gen Sharon and Prof Milson hope eventually to appoint new local political leaders who will be more pliable, willing to accept limited local autonomy under permanent Israeli rule.

Efforts during the past six months to find such collaborators have failed. Gen Sharon clearly hopes that once the PLO is crushed, some Palestinians will be willing to step forward to work with him. But so far the mood on the West Bank has been hardened against Israel by the war in Lebanon. The Palestinians there, far from being cowed are sounding more defiant than ever.

tion was being expanded. Rabbi Cohen also said that he was tired of what he called "this self-righteous attitude of Premier Begin and Interior Minister Burg." The latter had suggested collecting clothes for Lebanese whose own had been destroyed in the Israeli invasion.

Professor Shevach Weiss, another Labour Knesset member, warned that the war would do nothing but strengthen the desire of the Palestinians for revenge. Mr Danny Rosolio, also

a Labour parliamentarian, cautioned that if a government was set up by Israel in Beirut, then the Syrians would install a rival government further north in Tripoli.

In the Press the independent and influential Ha'aretz morning newspaper wrote in a Tuesday editorial: "Rumours are circulating that the Government, and Mr Begin at its head, allowed itself to be dragged after the machinations of the Defence Minister, who, from the beginning, planned the conquest to their present extent who knows whether he does not have further plans even now..."

In yesterday's issue, the editorial page carried five articles by staff writers every one of them critical of the war in Lebanon. The paper's diplomatic correspondent asked why a limited military operation, supposed to last no more than 48 hours, was still going on after 10 days.

The paper's senior economic writer abandoned military matters to write an article dripping with sarcasm about how the country was being misled by government and army spokesmen about the course of the war.

"Let us not deceive ourselves. Israel was not interested last week or at the beginning of this week in a ceasefire with guerrillas. The moment the front is advancing northwards by the method of 'improving position'... every 24 hours Messrs Ariel Sharon and Rafael Eitan (the Israeli Chief of Staff) hold a conference... in order to transmit a summation of events which create the impression that the war has ended; and every morning the citizens of Israel are informed that during the night there were tough battles in this or that area to the south, east or north-east of Beirut."

THE INVASION OF SIDON

'They dumped the sick on the beach and everyone ran for it'

BY STEWART DALBY IN SIDON, SOUTH LEBANON

MRS CAROL GHANLOUSH, a British 38-year-old mother of two, left the London suburb of Barnes a year ago with her husband Joe to live in Sidon, the town that has been almost destroyed by the Israeli advance into Lebanon.

Clutching her two-year-old son Safi in her arms, Mrs Ghanloush stood apprehensively by the river outside the town, where she comes to wash every day and described life under Palestinian domination in Lebanon.

The past year had been one of unremitting nervousness and fear, she said. Her husband, originally a Lebanese Shi'ite Moslem but now not religious, had returned to Sidon to join his brothers in their jewellery business.

Mrs Ghanloush, who was a hairdresser before her marriage, said: "Whenever you heard firing you shut your doors and did not go out."

The couple would close their shop at the end of the day and take their jewellery home. Travel around the town was difficult, she said, because gun-toting men of the Palestine Liberation Organisation (PLO) would stop them, ask for identification, and possibly steal money or watches.

Joe Ghanloush said: "They

just took your money and did what they liked. It was no use talking to policemen because they were powerless. The Palestinians ran the place; they did exactly as they liked. There was no law and order."

The first they knew of the Israeli advance was Saturday two weeks ago when there was continual bombing.

"We did what we always did when there was bombing. We lay down on the ground floor and hoped it would not be us that would be hit."

When the bombing continued unbroken for 36 hours, Mrs Ghanloush prepared to leave. The next day the Israelis dropped leaflets telling everyone to evacuate because they were going to bomb the town. They had two hours to get clear.

The evacuation was terrible, Mr Ghanloush said. "They carried the sick and wounded out of the hospitals and dumped them on the beaches. Everyone had to run for it, there was no time for anything."

The Ghanloushs were luckier than most, as they had relatives in the mountains. Most people had to go to the beaches, where they shivered by night and baked and were ravenously hungry by day. For two days

the Israelis bombed, shelled and rocketed, from land and sea. From the Israeli point of view, the massive bombardment to smash the PLO camps which left barely a house unscathed, was preferable to hand-to-hand fighting since it involved, for them, less loss of life.

But most of the local population is now homeless and short of food. Disease on a large scale could be imminent. The PLO are still holding hostages in two mosques in a camp in the southern suburbs and are springing ambushes on the Israelis.

After two days in the hills the Ghanloushs came back to Sidon. Their house had been looted, the electricity barely worked and the water was rancid, useless for washing, let alone drinking.

The family has survived reasonably well since because they have been provident. They had managed to stockpile what Joe Ghanloush calls small tin cans. Each day they leave the city to wash in the river.

Yesterday Mrs Ghanloush said: "We have just three days of bottled water left, what we are going to do after that I just don't know." Joe Ghanloush said the Israelis have given them some supplies. But he added: "They are still fight-



Injured refugees flee the Israeli advance into Sidon

ing the war and have other priorities."

The Israelis have said they are sending 70 doctors, together with ambulances and medical teams to southern Lebanon and are making an effort to provide food and water to the homeless. Their relief effort will be paralleled, it is thought, by the

drive from six United Nations agencies to help the up to 1m refugees.

Both the Ghanloushs are glad the Israelis have come. "At least we can sleep safe in our beds at night without worrying about the fighting," Mrs Ghanloush said. She has had enough, however, and

wants to leave.

She worries about the effect on her 12-year-old elder son. "He went to see a friend and saw an old man in the street," she said. "It is the first dead person he has ever seen. For the past week he has said to me every day: 'Mum, I can still see those eyes.'"

Alain Cass, Asia Editor, profiles the progress of a Western-led experiment in a rigid socialist economy

Vietnam abandons a principle in pursuit of efficiency

FERTILE PLAINS 62 miles north of Hanoi are the setting for a bold attempt to graft Western-style management onto Vietnam's rigid socialist economy. The experiment is taking place at a US\$500m (£280m) paper mill which is not only far more sophisticated than any other in Vietnam but is the most modern plant of its kind in South-East Asia.

What makes the Bai Bang paper mill even more remarkable is that the Vietnamese regime has thrown overboard cherished principles, accepting that it cannot run the project itself for the foreseeable future, and has asked Scan management, the Swedish consortium which built it, to take charge.

This is a concession which the Vietnamese have even refused the Soviets. A recent delegation led by Mr Nikolai Babalov, the Kremlin's top state planner and formerly a Soviet request that their own joint venture projects should be run by Russians to improve efficiency.

Thirty-five years of war has left Vietnam virtually heretofore of economic management and its dilapidated industry, as they admit themselves, is working at no more than 30 to 35 per cent capacity. It is plagued by bad management, power shortages, lack of raw materials and an infrastructure which has not been properly maintained since the French left in 1954.

The Swedish International Development Authority, which

co-ordinates Sweden's substantial foreign aid programme, and WP-System AB, the project manager and co-ordinator at Bai Bang for the investment phase, are aiming for 80 per cent capacity "within five to ten years."

To do this Vietnamese cadres assigned to the project by the country's Ministry of Light Industry are being given intensive courses in Swedish management techniques both in Sweden and Vietnam. They have been told by the "highest level" according to a senior Swedish executive at the site, to learn and implement such practices as wage differentials, bonuses, selective recruiting procedures based entirely on ability and sackings for workers who do not come up to scratch.

The chief executive at the mill is a Swede, Mr Pier-Axel

Sveningsson, while his number two is a Vietnamese. Each of the sections is similarly structured. Nguyen Trong Khanh, the deputy technical director, said Sweden and Vietnam have different economic systems. We are learning from them in the field of management, cost control and supervision. The problem is our workers are slow to take orders. Discipline is not good.

Khanh, like several others on the project, has spent more than two years in Sweden learning western management techniques. His boss, Mr Hans-Olof Lindh, said: "Our contract specifies that we hand over the running of the plant in June 1983. We would love to do this. We are not interested in running it. But the fact is that it would grind to a halt if we pulled out."

He added "the basic conflict is between the need for super-

visors to have power and the Vietnamese communist worker's traditional view of his role. They won't take orders."

The Bai Bang mill financed entirely as a grant, is Sweden's single biggest foreign aid project. Vietnam had turned to the single biggest recipient of Sweden's foreign aid, which may explain why the regime has agreed to the unprecedented conditions at Bai Bang. - ? ? contribution is the land, labour and raw materials.

The project was conceived in the early 1970s. The agreement was finally signed in 1974 after an extensive feasibility study was carried out by the Swedish subsidiary of Jaakko Pöyry, the Finnish pulp and paper consultants.

The aim is to produce 50,000 tons of paper on the plant's machines by September of this year. This would double

Vietnam's paper output which, at less than 2 lbs per head, is among the lowest in the world. This compares with 13 lbs in China, 70 lbs in the Soviet Union and 538 lbs in the U.S.

The mill itself consists of the two paper machines, a huge storage area, a 23 mw power plant which produces enough power for a small European town and supplies surplus electricity to local consumers, a water treatment and finishing plant, all of which dwarf the small nearby settlements.

To overcome transport problems to and from the plant 745 miles of road and a rail spur are under construction. Schools, houses, even a hospital have been built. "We're not just setting up a paper mill," said one Swede, "we're constructing a whole society."

In addition some 800,000 hectares, 115 miles north of Bai

Bang close to the Chinese border are being planted and will produce 2.5m trees within a few years. At present, with the exception of some local bamboo, all the pulp is being imported from Sweden.

The Swedish and other foreign workers, about 650, live in a comfortable camp and have most of their needs flown in. Although construction has gone reasonably smoothly under very difficult conditions the project has shed its share of problems.

Equipment shipped through Haiphong harbour, 40 miles from Hanoi, has been pilfered at the rate of US\$100,000 (£55,555) a year, according to Mr Lindh but he says, "this is not exceptional for a project this size."

The coal-fired power plant relies on Vietnam's rickety transport system and, until

recently, was never assured a steady supply of fuel. The 250-300 tons of coal comes from coalfields 186 miles away, by barge and is transferred to railway wagons over the last 18 miles.

The shortage of rolling stock means the factory has recently had to hire a fleet of ageing trucks which now shuttle between the barges and the plant. This has resulted in a significant improvement and stocks are now high.

The cost of transport is also proving a problem. Delivery of the finished notebooks for Vietnam's schools, a problem which will have to be tackled by the Ministry of Light Industry.

The notebooks which Bai Bang is producing cannot easily pay for themselves, though Khanh says his central aim is "to make a profit." It has been estimated that their real cost is nearly double the price, fixed by the State, at which they are being sold to schools even after the entire Swedish contribution has been written off.

Is the project too advanced for Vietnam? "Yes and no," says Mr Lindh. "I still think we can make a go of it." An aid expert in Hanoi said, "the project was originally conceived as a catalyst for the rest of the economy. The fact that they can't run it themselves has been a big shock to the Vietnamese. It's a bitter pill to swallow. But it says a great deal for their realism that they have recognised this and have acted accordingly."

Zimbabwe army cost to increase

By our Harare Correspondent

HOPES THAT Zimbabwe's 1982 budget deficit would be substantially below forecast were dashed yesterday with the publication of supplementary budget estimates of Z\$51m (£33m).

A total of Z\$21m is earmarked to meet demobilisation costs of former nationalist guerrillas who have been taken into the national army, while Z\$26m is to finance higher teachers' salaries.

The supplementary estimates will increase the budget deficit by 16 per cent to Z\$93m. Previously published figures showed Government spending running well behind estimates, especially on the capital account.

Publication of the figures follows the Government decision on Tuesday to extend the state of emergency in the country for a further unspecified period, to stamp out "left-state activities."

The Rev Casparus Banana, the state President, said at the opening of Parliament that the action was necessary following the finding of arms caches on farms in the west of the country and "the increasing incidence of violent crime."

He said former guerrillas are to be recruited into the paramilitary police support unit, and a people's militia is to be established to train the civilian population in counter-insurgency.

The President's comments were clearly aimed at the activities of the 2,000 former guerrillas in Mr Joshua Nkomo's Zipra army, who are blamed for an upsurge in violent crime in Matabeleland in which more than 25 people have died recently.

The other main theme of President Banana's address was the extension of state participation in the economy. He promised the establishment of a State Trading Corporation, state industries in certain sectors, and a small enterprise development corporation to assist small businesses, especially those established on "co-operative principles."

"There was no mention in the speech of legislation to establish a one-party state, the subject of considerable recent speculation."

Fears grow for Vietnam leader's health

BY JONATHAN SHARP IN BAGKOK

VIETNAMESE leader Le Duan, whose health has been the subject of rising speculation, has been undergoing medical treatment in the Crimea after being escorted from Hanoi in mid-April by two Soviet doctors, according to Western diplomats.

Two weeks ago, he resurfaced in Moscow for a meeting with Mr Leonid Brezhnev, the Soviet Premier, but until then he had

been in a sanatorium, said one diplomat.

There is no word when Le Duan might return to Vietnam. Two weeks ago the party newspaper in Hanoi, Nhan Dan, said Le Duan had been invited to go to the Soviet Union "for a holiday."

Le Duan, who is 75 and has been Vietnam's top Communist Party official at least since the death of Ho Chi Minh, had made hardly any public appearances in the past six months. The move

to the Soviet Union confirms that he is no longer in effective day-to-day control of the party which he nominally heads.

He did put in an appearance at his party's congress at the end of March, but delivered only part of his own speech and he looked "puffy" rather as President Georges Pompidou did before he died, said the diplomat.

There is also serious concern in Hanoi about another pillar of the Vietnamese

establishment, Premier Pham Van Dong, who has in recent years openly expressed a wish to resign and may be forced to do so.

Pham Van Dong's health is also ill and lives in a sanatorium. Many of his Ministerial duties have been taken over by Vice-Premier To Huu who is generally recognised as the de facto leader.

Vietnam's leader.

Asean ministers fail to produce political initiative on Kampuchea issue

BY KATHRYN DAVIES IN SINGAPORE

THE FIVE Foreign Ministers of the Association of South East Asian Nations (Asean) ended their annual meeting in Singapore yesterday having failed to come up with any new proposals to resolve the Kampuchean issue, which has dominated regional politics since the Vietnamese invasion of Kampuchea overthrew the Khmer Rouge regime in January 1978.

In a final communique Asean

ministers merely reiterated their support for United Nations resolutions calling on the Vietnamese to withdraw their 150,000 troops from Kampuchea and for the holding of independently supervised elections.

They also expressed continued support for the formation of a Kampuchean coalition Government made up of three anti-Vietnamese factions, including the Khmer Rouge and

non-Communist leader Son Sann.

Despite Asean's energetic diplomatic efforts such a coalition is looking increasingly less credible while both regional and international negotiations on Kampuchea are making negligible progress.

Asean is now adopting a wait-and-see attitude to the visit next month of Vietnamese Foreign Minister Nguyen Co Thach to three Asean countries —

Malaysia, Indonesia and Singapore. Earlier this week Radio Hanoi, the official mouthpiece for the Vietnamese Government, said that Kampuchea was not an issue between Indochina (Vietnam, Kampuchea and Laos) and Asean but an issue between Indochina and China, which had ambitions to become the dominant power in the region.

Asean's view is that the Vietnamese occupation of Kampuchea has led to Soviet involvement in the region and thus to inevitable conflict between Russia and China. Mr Thach's visit seems unlikely to break the deadlock unless his country's willingness to talk to Asean signals a change of Vietnamese tactics.

Indonesia, as the largest Asean state, is becoming impatient however with the whole Kampuchea crisis and would perhaps settle for the recognition of the pro-Vietnamese Heng

Samrin Government in return for a Kampuchean pull-out.

Turning their attention towards economic issues, Asean Foreign Ministers expressed anxiety over protectionist measures being taken by developed nations as a result of recession. Asean now holds bilateral discussions with Japan, Australia, Canada, New Zealand, the European Community and the United States. It is likely to focus on the threat of falling commodity

prices on Asean economies, as well as demands for greater access to the markets of developed countries.

The talks are likely to be particularly sensitive with the European Community, whose president, Mr Leo Tindemans, was forced to make an embarrassing change of mind on attending the meeting in Singapore, following outraged Asean reaction at the prospect of dealing with a low-level EEC delegation.

prices on Asean economies, as well as demands for greater access to the markets of developed countries.

The talks are likely to be particularly sensitive with the European Community, whose president, Mr Leo Tindemans, was forced to make an embarrassing change of mind on attending the meeting in Singapore, following outraged Asean reaction at the prospect of dealing with a low-level EEC delegation.

Could you keep track of cash flows of \$112 billion? Chase does—every working day.

\$112 billion.

That's the amount Chase transfers around the world on an average day, more than any other bank in the world. Now the Chase is on to put that expertise to work for you with a totally new approach to effective corporate cash management.

What's probably more important to you is that our approach to cash management is flexible—geared to meet your needs, not ours. That's why Chase cash management products provide you with timely information formatted to meet your requirements for on-the-spot analysis and action.

For example, Infocash. It's just one of the products in our cash management range of services designed to give you complete control of your cash flows and levels of accuracy and detail that are second to none.

That's why Infocash is a recognised leader in the field of cash management products. Today, over two thousand major corporations and banks rely on Infocash to provide them with timely information plus the ability to initiate transfers right from their desks—instantly. As a matter of fact, half the corporate money transfers executed by Chase in America are initiated through Infocash terminals!

Now Chase has brought cash management to Europe in the form of products and professionals who understand European cash management needs. Our officers are trained to know more, listen better and respond faster. Simply, Chase gives you value added cash management.

So, isn't it time you let our dedicated team of cash management professionals put Chase's expertise to work for you.

Now, more than ever, time is money. So call the Chase Manhattan Bank.

In the race against time, the Chase is on.

 **The Chase is on.**

THE FALKLANDS CRISIS

Argentine nuclear safeguards approved

VIENNA—The International Atomic Energy Agency has approved a safeguard agreement with Argentina for supplies of partially-enriched uranium from the Soviet Union, an agency official said yesterday.

A statement from the agency said the agreement, approved on June 9, covers safeguards on supplies from the Soviet Union to Argentina—including an initial shipment of 100 kilograms of 20 per cent enriched uranium.

Twenty per cent enriched uranium may be used in power plants or in research projects, but experts say it is too low grade to use in making nuclear weapons.

Highly-enriched uranium and plutonium, which are components of the fuel cycle in some nuclear power plants, may also be used to make nuclear arms.

The 110-country agency headquarters in Vienna monitors the safety of nuclear power plants around the world and conducts inspections to make sure no fuel is being diverted for weapons use.

The agreement spells out details of how and when inspections in Argentina may be carried out. It was granted at the request of Argentina, the spokesman said.

"They voluntarily asked the agency to come and inspect," the official said.

It was the second such agreement on nuclear material safeguards involving shipments from the Soviet Union, said the official, who declined to be identified.

Frustrated nationalism revives political discontent

BY HUGH O'SHAUGHNESSY IN BUENOS AIRES

AS WORKMEN cleared the mess left by Tuesday night's anti-Government riots and armed police stood threateningly at the city's street corners, politicians and senior military officers yesterday began pondering the consequences of the violence which left 200 in jail and widespread damage to shops and vehicles.

Most were agreed that the disturbances marked a boost for the Marxist Left, something of a reverse to the Peronist and bad news for the military junta. All this suggests a more unstable political outlook for Argentina, and no one is ruling

out an upsurge of political violence. The crowds in the capital's Plaza de Mayo, whose violence and looting stopped General Leopoldo Galtieri appearing on the balcony of Government House, were protesting against two things.

They were venting their anger at the conduct of the Falklands campaign, calling for no surrender. More generally, they were voicing once again the popular discontent with six years of military rule which Argentinians believe has brought economic policies that are responsible for unemployment,

falling living standards and the ruin of the country's industry.

This intoxicating mixture of frustrated nationalism and economic discontent meant the demonstrators savoured the opportunity of screaming insults at the Government and what they saw as the incompetence and cowardice of its leaders.

The sentiments they expressed are not confined to Buenos Aires' riotous youth. In more measured but no less politically effective tones, the conservative daily La Prensa yesterday commented that the demonstration "not only was spontaneous and

genuine... but was also justified."

But it was the small Marxist groupings—such as PST or Workers Socialist Party, the Socialist Youth and the Union of Youth for Socialism—rather than the staid leaders of La Prensa who bore the brunt of Tuesday's demonstration.

There is little doubt that the Left, which historically has never been very strong in Argentina, has seen a major possibility of political initiative.

This leaves Argentina's majority grouping, the Peronists, somewhat wrong-footed. As the Falklands

adventure started, many Peronist leaders revelled in what they saw as a victory for Argentine nationalism.

Never enthusiastic for parliamentarianism, they saw an opportunity to come to power again in an alliance with the victorious military. Such an alliance, they hoped, would allow them to trade some genuine popular support, which Gen Galtieri needed, for a reversal of his unpopular monetarist policies in favour of inflation.

With Gen Galtieri's military defeat, the Peronists' courting of a highly unpopular junta has

become embarrassing.

Still, it would be premature to dismiss Peronism. The impending launch of a Peronist daily paper, La Voz (The Voice), under the aegis of the left-wing of the movement, is certain to be a shot in the arm.

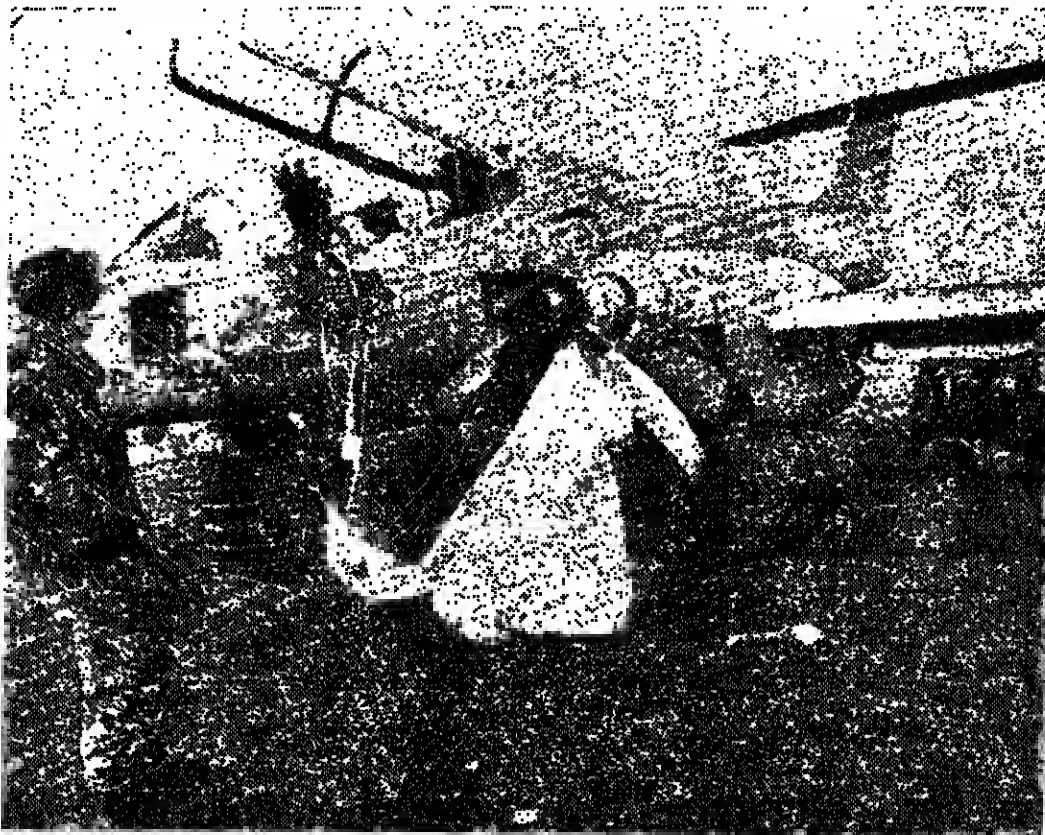
For the middle of the road Radicals, the best and most widely organised of Argentina's parties, the mood of discontent is good news.

The politician who is their interim leader Sr Carlos Contin, has been compromised by his support for the military, but the party's initiative lies with Sr Raul Alfonsín, a more out-

spoken figure, who has been pressing for the military to quit government.

He wants ex-President Arturo Illia, the 82-year-old Radical who was toppled by the military in 1966, to head a new civilian government.

Few people here think changes are far away. If Gen Galtieri should go, it is possible that power would be handed over temporarily to some fellow officer before civilian rule is restored. For the moment, however, no one wants to inherit the troubled political, economic, military and diplomatic — of the junta.



A wrecked Argentine Pucara aircraft at Goose Green

Sadness rather than revenge governs surrender ceremony

Richard Savill sent the following dispatch from Port Stanley: Thousands of Argentine soldiers queued on the outskirts of Port Stanley Airport today to hand over their weapons to British troops.

Long lines of forlorn-looking soldiers dressed in their drab green combat fatigues and helmets waited patiently to give up their rifles, hand pistols, machine guns and mortars to Royal Marines.

Many of the Argentine soldiers, their faces still blackened for battle, seemed upset by the humiliation of the experience. Others were obviously pleased and delighted that the fighting was over.

Supervising the operation was Major Mike Norman of 42 Commando, the Marine force into a surrender of the Falklands after the Argentinian invasion ten weeks ago.

He had only served four days of his year-long posting when captured. He said: "It's nice to be back. There is no feeling of revenge. I just feel sad for the

civilians here because the Argentinians have made such a filthy mess of Stanley.

With him was one of the commandos forced to lie spread-eagled on the ground immediately after the Argentine invasion—captured in a newspaper picture which epitomised the humiliation of Britain's defeat.

Marine Robin Arnworth, 23, from near Bolton, said: "It's fantastic to be back. It's especially nice to be standing here supervising the handing over of the Argentinians' weapons because that is exactly what they made us do all those weeks ago."

Further along the road, Stanley Airport presented a desolate scene. The windswept runway and apron, only several hundred yards from the sea, was littered with wrecked aircraft.

There were nine Pucara fighter bombers, still armed with machine guns and rockets. Some of the Pucaras, which had presented a serious threat to

advancing British troops, had been badly damaged in Harrier air attacks on the airfield.

A huge bomb crater on one side of the runway had been crudely filled in with earth, but planes had obviously been using Stanley Airport freely.

Everywhere there were signs of modern artillery and anti-aircraft weaponry.

Scenes of devastation on Davis Street, the road nearest the airport, were evident. One building had a gaping hole in its side. This was the part of the town abandoned by local people for safety.

Only yards away from the rubble, a black hunting dog now flies proudly. A red ensign blows strongly atop the church flagpole. The streets are filled with British and Argentine soldiers.

When soldiers from different armies meet in the street they exchange glances. Occasionally there is a curt nod and the Argentinians venture a few words of broken English.

Text of surrender document

"I, the undersigned, Commander of all the Argentine land, sea and air forces in the Falkland Islands, M. B. M. (Mario Menéndez) surrender to Major General J. J. Moore, CB, OBE, MC, as representative of Her Britannic Majesty's Government."

"Under the terms of this surrender, all Argentine personnel in the Falkland Islands are to muster at assembly points which will be nominated by General Moore, and hand over their arms, ammunition and all other weapons and war-like equipment as directed by General Moore, as appropriate. British officers acting on his behalf."

"Following the surrender, all personnel of the Argentinian forces will be treated with honour in accordance with the conditions set out in the Geneva Convention of 1949."

"They will enjoy any directions concerning movement, and in connection with accommodation."

Hopes for islands' economy

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

AS the British Government begins to focus on the process of rebuilding the Falklands, bright hopes were being held out yesterday of reversing the islands' slow decline.

In London Lord Shackleton, the Labour peer who is updating his 1976 report on the Falkland Islands for the Government, said: "I am confident that there could be a viable economic future for the people."

In Exeter, Mr Rex Hunt, the former governor who will return to take over civil responsibility, said that 600 people had applied to settle among the 1,700 "kelpers" to help them rebuild the islands.

Speaking at a Maritime Heritage exhibition, he said the new settlers would help provide such skills as baking and hairdressing, of which the islanders had been short for years.

Lord Shackleton's optimism was tempered by the warning that the "tragic history of the

Falklands" is that "we use them and forget them."

Speaking aboard HMS Discovery—the ship used by Scott of the Antarctic and Lord Shackleton's father, explorer Sir Ernest Shackleton—he warned of the considerable investment needed by the islands.

He also suggested that the islanders "could make millions running a tourist trade," commenting "everybody wants to go to the Falkland Islands now."

The Falkland Islands Office in London believes that, expected oil reserves could ensure the prosperity of the islands, but Lord Shackleton yesterday emphasised their traditional resources.

He discouraged expectations of an early development of oil and stressed that wool from the sheep on the islands—600,000 of them before the fighting—was the main source of their wealth.

Mr Hunt has been saying that the islanders could improve their earnings if there is investment in the equipment necessary to wash, scour and knit the wool. At present it is exported "unprocessed". The former governor believes that both tourism and wool could be exported from the Falklands. There have been private British enquiries into this and U.S. enquiries into exploiting what are the largest kelp-seaweed beds in the world, he said.

On Monday Mr Hunt said that even before the fighting the islands had needed about £30m over the next five years to deal with basic problems such as roads and water supply. However, this process of reconstruction will depend on the extent to which the islands are harassed by Argentina.

This in turn will determine the size of the garrison which Britain keeps on its lonely Antarctic outpost.

War boosts Coalite projects

BY SUE CAMERON

WAR can be good for business—as the UK-based Coalite group, owner of the Falkland Islands Company, is beginning to find out.

Not that Coalite itself, whose interests stretch from smokeless fuels and chemicals to vehicle building and warehousing, has much hope of increasing profits from the Falkland Islands Company in the short term.

In the aftermath of the war in the South Atlantic, it is fearful of the depredations that may have been wrought on the last wool clip and on the Falkland Islands' 640,000 sheep.

But Coalite has now started to receive a steady stream of overtures from individuals and companies who are keen to go to the Falklands to live and farm or to develop new industries there—notably fishing and fur-seal production.

There is also the possibility that a meat industry could be developed and the tantalising prospect of large amounts of off-

shore oil being discovered there. Coalite appears to be more than willing to consider all or any of these proposals. But privately, senior executives hold out little hope of them coming to anything in the longer term.

The group, based at Boleover in Derbyshire, says it has looked at the potential for developing new industries itself in the past. It has generally found two insuperable difficulties in the way.

Distance. The geographical isolation of the islands which put such strains on Britain's persecution of the war is also a major impediment to exports.

Expanding the fishing industry—at present tiny—or using seaweed to produce fertiliser are both perfectly possible. But where would the markets for such products lie? And could they be sold competitively once substantial freight charges had been added to the costs?

The islanders themselves are primarily sheep farmers and they seem to want to stay as far

as possible from the islands. Whether it will be possible for the islanders to resume their usual way of life will depend largely on the political solution that is found to the Falkland Islands issue. The permanent presence of a large number of garrison troops could make it very difficult, if not impossible, for life to go on as before. Some islanders could emigrate.

In the immediate future, Coalite's chairman, Mr Ted Needham, is hoping he will be among those given priority to visit the islands.

One of his first concerns will be to find out how far the stock of sheep has been depleted by the Argentinians and whether or not the stocks of wool have been damaged.

In the meantime, the ship Coalite chartered to take supplies to the Falklands has now been able to continue the journey that was so rudely interrupted by the actions of Argentina three months ago.

Nothing is too much trouble when you rent a car from Avis.

Because we try harder at Avis we succeed a lot better. The moment you rent a car from us you can relax completely, confident that we'll never let you down. If you're delayed on your journey we'll wait for you to arrive. And greet you with a smile.

All along the line, you'll find our service smoother and more efficient. Our special Express Service saves you precious time.

What's more, at Avis we especially welcome American Express Cardmembers. We know that American Express Cardmembers are people of importance, accustomed to competent organisation. For people going places, Avis and the American Express Card smooth the way.



Avis and the American Express Card
—together we try harder.



June 1982
We are pleased to announce the appointment of:
Fergus Reid III Managing Director in New York
David Nutt Managing Director in Brussels

BERNHARD
VAN HOOFF
PHILIPPSON

1211 Avenue of the Americas, New York, NY 10036
Telephone: (212) 921-7755 Telex: 422847

Adresse:
van Hooft, Philippson & Co., S.A., Avenue des Arts 21-23, 1049 Brussels, Belgium.

Foreign concerns bound by equal rights

BY PAUL BETTS IN NEW YORK

THE U.S. Supreme Court, the country's highest legal authority, has ruled that subsidiaries of foreign companies in the U.S. are bound by American employment and civil rights laws not to discriminate in their hiring and promotion practices.

This reverses a long-standing policy backed by bilateral trade treaties between the U.S. and scores of foreign countries whereby foreign companies could hire and promote employees of their choice, bypassing U.S. nationals.

In turn, the Supreme Court ruling could have broad implications on foreign investment in the U.S. as well as adding further strains in foreign trade relations between the U.S. and other countries, especially Japan.

The Supreme Court decision emerged out of a specific case involving Sumitomo Shoji America, the New York subsidiary of a major Japanese trading company. The Japanese subsidiary had been sued by 12 secretaries who charged they were unfairly denied promotions and who accused the company of violating the 1964 Civil Rights Act by giving management jobs exclusively to Japanese men.

The 12 secretaries have since left the Japanese subsidiary, but the Japanese company claimed that a 1953 trade treaty between the two countries gave it the right to hire the management staff of its choice, as do U.S. subsidiaries in Japan.

As a "company of Japan," it said it was entitled to fill senior management positions with the personnel it wanted, namely male Japanese nationals.

Before the case was taken up by the Supreme Court, the Japanese company asked a Federal District court to dismiss the suit, but the court refused. Subsequently, a Federal Appeals Court in New York ruled in the Japanese company's favour, holding that the Japanese company was protected by the treaty. The Supreme Court has now reversed the Lower Appeals Court ruling.

The Supreme Court ruling clarifies the status of U.S. subsidiaries of foreign companies and is designed to curb abuses by these subsidiaries of U.S. employment laws. The Court also acknowledged that under certain conditions, there were bona fide reasons for subsidiaries to hire and promote their own nationals.

Call for resignation of Labour Secretary

BY ANATOLE KALETSKY IN WASHINGTON

THE CHAIRMAN of the Senate Labour Committee, Mr Orrin Hatch, has advised President Reagan to seek the resignation of his Labour Secretary, Mr Raymond Donovan, after disclosures about Mr Donovan's alleged links with organised crime and union corruption.

Mr Donovan's career as an executive and partner in the Schlavone Construction Company in New Jersey has been under investigation since January by a special prosecutor. He has denied the allegations made against him.

Mr Hatch's request, made in a telephone call to the White House on Tuesday, coincided with an open letter backed unanimously by Democratic Party senators, which called on Mr Donovan to "step aside" until a special prosecutor completes an investigation.

There are growing fears in the White House that the affair, which has raised questions about the conduct of Administration officials during Mr Donovan's confirmation hearings last

Irregularities alleged in Bahaman election

BY NICKI KELLY IN NASSAU

THE PROGRESSIVE Liberal Party Government of Mr Lyndon Pindling, the Bahaman Prime Minister, has been accused of "widespread irregularities" in the conduct of the country's June 19 general election.

Mr Kendal Isaacs, leader of the opposing Free National movement, made the accusation, claiming that his party had confirmed "without a shadow of a doubt" that the PLP had not competed fairly in trying to win the election.

The FNM, which won only 11 of 43 Parliamentary seats, said it intends to challenge the results in court of at least three and possibly four constituencies where what it calls the "illegal transfer of voters from one constituency to another definitely affected the outcome. The party lost the three seats by narrow margins.

Mr Pindling has made no comment on the allegations. He had hoped for a stronger election mandate.

Mr Isaacs claimed that up to and including the 1977 election, voters registered in one constituency could not transfer to another once the registry was closed. "In this election the Parliamentary registrar allowed transfers up to election day,"

Nicaragua debt payment

MANAGUA—The Nicaraguan Government paid off \$36m of its \$2.5bn foreign debt and called on the international banking community to re-establish lines of credit, the Finance Ministry said.

Nicaragua was determined to pay "the last cent of this debt, despite the economic difficulties aggravated by the

Pemex lays off 4,000

MEXICO CITY—The state oil monopoly Pemex laid off 4,000 workers in north-eastern Mexico, citing decreased oil drilling and construction stoppages as a result of Federal budget cuts and lower oil revenues, officials said on Tuesday.

Pemex said in Reynosa, 500 miles north of the capital, 3,000 temporary workers and 1,000 full-time workers were involved in the lay-offs, caused by an economic slow-down here. Contract work at 13 Pemex sites in north-eastern Mexico had stopped.

Anatole Kaletsky in Washington reports on rituals of expiation a decade after the scandal

America dredges through the sediment of Watergate

THE DEPTH of national attention on the tenth anniversary of the Watergate scandal that drove President Richard Nixon from office is proving once again that truth is stranger than fiction.

It was at 2 am a decade ago that five burglars were arrested while ransacking the offices of the Democratic National Committee in the Watergate office/apartment complex in Washington.

What at first appeared a minor incident in an election year turned out to be the start of the worst political scandal in the country's history.

Soon after the burglars' arrest, it emerged that they worked for an organisation known as CREEP, or the Committee to Re-elect the President. President Nixon was then in the midst of a campaign that was to lead him to an overwhelming re-election victory over his hapless Democratic Party opponent, Mr George McGovern.

Over the next two years facts began to emerge showing the extent to which White House aides, the President's own assistants and even the President himself, were involved in planning the "dirty tricks" election campaign and the subsequent efforts to cover their own tracks.

The Nixon cabinet began to take on the public appearance

of a gang of louts and incompetent hars. The process by which Government was conducted disintegrated into a string of "expedients deleted," the term that became inexorably linked with the president's own use of coarse language in discussing White House matters.

Ten years later, the media are not about to let sleeping dogs lie. In the past two weeks, newspapers, magazines, and TV stations have organised a veritable orgy of Nixon interviews, Watergate reminiscences and specially-made anniversary documentaries with titles like "784 Days that Changed America."

"Wallowing in Watergate" as Richard Nixon himself once called it, has been a singular passion in the U.S. The rest of the world has been fascinated too. Foreigners have always watched it with an incredulity that comes from knowing that such a ritual supposedly could never take place in their own land.

Time, the weekly news magazine, expressed it eloquently, though not without a touch of irony: "Watergate was an American morality play. The Constitution was the hero."

The most tangible facts of the scandal bear this out. Apart from the fall of Richard Nixon and the jailing of 25 of his associates, for periods up to 52 months, Con-



President Richard Nixon and aides in happier days—before the Watergate scandal scuppered them all.

gress passed several measures which strengthened Constitutional Government. The Freedom of Information Act was passed into law, new restraints were placed on the FBI and the CIA, a system of public funding for election campaigns was established. A further result of Watergate was to make all public figures (and their private affairs) fair game for examination and dissection by the Press.

But an inescapable irony is

that the fate of many of those involved upheld some of the optimistic ideals which underlie the American way of life.

Most of the criminals have come out of jail as reformed characters, and many have found ways of profiting from their misfortune in the true spirit of American entrepreneurs.

Top aides John Erlichman and H. R. Haldeman—described by the President as "the nation's finest public servants"

—have made fortunes from the proceeds of books about Watergate. John Dean, whose Congressional testimony hinted at Presidential involvement, and Gordon Liddy, who headed the ill-fated "plumbers" Watergate burglary unit, are mainstays of the national lecture circuit, commanding fees of \$3,000 and \$4,000 a night.

White House aide Charles Colson, known as "The Hatchetman," has become a born-again Christian. One of the five

original burglars, Virgil Gonzalez, is now successfully practising his trade as a locksmith. The one human casualty appears to be Frank Willis, the security guard who detected the burglars in the Watergate building. But for the anniversary, he is ignored and unemployed, except for the \$50 he seeks for newspaper interviews, and spends much of his time communicating with imaginary beings.

John Mitchell, President Nixon's Attorney General and head of the re-election campaign, though barred from law practice, now runs a successful international business consulting firm.

The former president himself is well on his way to rehabilitation as the Republican Party's elder statesman. He has earned millions of dollars from books, TV appearances and property deals, and he said recently: "Remember Lot's wife, never look back."

The Watergate scandal has shown politics in the U.S. at its seamiest and has tapped the country's never-say-die spirit.

But the real significance of Watergate may turn out to be deeper than these.

It has made the U.S. public focus on the trivial features of its leaders at a time when it should have been thinking hard about the policies they represent. It brought the American obsession with personalities rather than issues to its apogee.

Albyn House is Conoco's Northern Operations training centre.

Step into an air-conditioned room there and you step into the control room of an oil platform 120 miles out in the North Sea. Even operational noise has been recreated by a Rediffusion Simulator.

The simulator allows Conoco operators to gain experience in dealing with any type of production situation, including emergencies, without risk to personnel or to the platform and without losing valuable oil production.

To train operators, the simulator was built ahead of the platform it recreates. As an additional benefit, it can be used to assess the likely effects of changes in plant and procedures as more becomes known about the performance of the oil field itself.

It's one of many spin-offs from Rediffusion's aircraft flight simulators and it's typical of the way Rediffusion puts electronics to work.

As a leading British electronics company with a £250 million turnover, we're equally far ahead in communications, TV, recorded music, desk top Teleputers and navigation systems.

We're heavily involved in British Telecom's National 'Paging' system for example. We designed and installed the intercoms, sound systems, closed circuit TV and recording studio in London's superb new Barbican Arts and Conference Centre.

Currently we're in the forefront of video programming and the development of national cable TV in the UK.

If you would like to know more about Rediffusion, write for a brochure to the address below.

Moving the North Sea is nothing to what we're planning for you next.

REDIFFUSION

REDIFFUSION, CARLTON HOUSE, LOWER REGENT STREET, LONDON SW1Y 4LS.

WE'VE MOVED THE NORTH SEA INTO ALBYN HOUSE, ABERDEEN.

KEEP OUT
OIL FLOWING
120,000
BARRELS A DAY

BL Metro plant efficiency causes short-time work

By Arthur Smith, Midlands Correspondent

RISING PRODUCTIVITY is forcing BL Cars to put workers on short-time at Longbridge, Birmingham, where the Metro is assembled.

Improved efficiency throughout the plant has created a surplus of about 750 workers who would go on short-time until the introduction of a new engine at Longbridge in the autumn, the company said yesterday.

BL added that, besides the short-time working, plans announced recently to shed 1,500 jobs were going ahead. About 1,000 employees had already gone. The number of volunteers to leave had diminished but workers were still leaving at the rate of 50 to 70 a week.

The final 500 redundancies will reduce the Longbridge workforce to 9,500—less than half the 19,400 of 1977. In that year, Longbridge produced 185,000 cars. More than 250,000 are planned for this year.

Output of the Metro model was trimmed in April from 4,250 a week to 4,150. But production of the Mini, at 1,300 vehicles a week, is 30 per cent up on last year.

Shop stewards at Longbridge, concerned at dependence on just two models, have been pressing for more work to be brought to the factory. BL is assessing the position.

The most likely move would be to switch production of the

Intel from Cowley, Oxford, where the Rover, Triumph Acclaim, and Austin Ambassador are assembled. Cowley will start production this autumn of BL's LC10, a five-door hatchback to be launched in February.

Introduction of the Intel to Longbridge, however, would not create new jobs. The local management believes there is sufficient flexibility to accommodate such production without increasing the labour force.

The pool of 750 workers to be put on short time will be absorbed when production starts in the autumn of the new R-series engine which will be used in the LC10.

The R-series is a radical development of the E-series engine phased out at Longbridge this year, which powered the Maxi and Allegro models.

Basing the new engine on the E-series offered a low-cost way for BL to take advantage of fully modern production facilities at Longbridge.

The new engine, which will be linked to a gearbox imported from Volkswagen, is expected to yield dramatic fuel economies.

Negotiations have opened with shop stewards on the extent of short-time working. Local union leaders, although prepared to accept short-time, are vigorously opposed to compulsory redundancies.

Real fall in advertising expenditure

By David Churchill, Consumer Affairs Correspondent

ADVERTISING expenditure in the UK last year rose by more than 10 per cent in value to £2.8bn, according to statistics published yesterday by the Advertising Association.

However, after allowing for inflation in media rates, the association says advertising expenditure fell in real terms by some 6 per cent.

Display advertising was down by some 4 per cent in real terms, while consumer advertising by manufacturers fell 7 per cent against 1980 levels.

Using the Retail Price Index as an indicator of inflation, however, gives a lower fall of only 1.5 per cent in advertising expenditure in real terms.

Mr Mike Waterson, the association's director of research, says that the "clear message is that advertising expenditure has broadly speaking been relatively little affected by the recession."

In particular, he adds, display advertising had a good year. Figures issued by Media Expenditure Analysis Ltd (MEAL) show that Procter and Gamble was Britain's biggest advertiser last year, spending a total of £24.9m.

Mars was second, spending some £20.8m, followed by Cadbury Schweppes with £19.1m.

John Moore examines City criticism of the Gower proposals on self-regulation

Securities council attacks report on investor protection

THE government-commissioned report on investor protection, prepared by Prof Jim Gower, adviser on company law to the Department of Trade, has been criticised by the council for the Securities Industry, the City of London's main self-regulatory body.

The report, commissioned last year after the failure of a number of investment companies, including Norton Warburg, proposed a unified system of regulation to protect investors.

Prof Gower proposed that the advantages of government and self-regulation should be combined. This would replace the piecemeal arrangements where licensed dealers and unit trusts were closely, though not necessarily effectively, regulated by statute law and dealings on the stock exchange were closely regulated by non-governmental authorities, while a variety of others, such as commodity dealers, were not regulated from the point of view of investor protection.

The report, published in January, suggested there should be four recognised self-regulatory agencies: the public issues and takeover agency, responsible for monitoring takeovers and issues, the Stock Exchange, responsible for its own members; and agency or association, responsible for over-the-counter markets, dealing of the Stock Exchange, and investment management and advice; and a unit trust agency, responsible for unit trusts and other mutual funds.

These agencies would operate under the framework of a Securities Act and the supervision to the Department of Trade, which would have residual powers to make regulations supplementing those of the agencies.

Prof Gower assumed that the activities of the self-regulatory agencies would be co-ordinated by the Council for the Securities Industry.

He expressed surprise at criticism about the council he had heard in the City. "There are many in the City and elsewhere who regard it (the council) as the fifth wheel on the coach with little prospect of ever becoming more useful."

The council argues that self-regulation involves flexibility and inventiveness on the part of practitioners in areas where clear, detailed rules cannot be laid down.

The gradual movement of specific requirements from self-regulation "does not require the supervision of self-regulatory agencies" proposed in Prof Gower's discussion document.

The council adds that it "has not been influenced in any way by consideration of the possible effect of the proposed regime on its own position."

But the council notes that Prof Gower's report proposes that it should be the co-ordinator of the activities of the four self-regulatory agencies.

This would mean that the council could no longer issue codes and rules spanning a number of self-regulatory bodies. It is not clear which authority would deal with such matters.

As a co-ordinator, the council would be in a weak position, having regard to the powers to be vested in the Trade Department.

The council believes that an appeals procedure on admission to or dismissals from the self-regulatory agency, as proposed by Prof Gower, "would weaken the authority of the self-regulatory body and probably lower the standard of membership."

The capability of a self-regulatory body to develop codes and rules which were accepted

for observance by all, because they were agreed by a majority, would be materially eroded by the process of reference, consultation "and lobbying by government that would inevitably ensue."

The level, quality and scale of effort put into self-regulation "would be eroded if conclusions reached were subject to blockage or reverse by government," says the council.

The council concludes that a scheme of government supervision of self-regulatory bodies would obviate the need for an individual authority from the Department of Trade.

The Government would prescribe minimum standards for the self-regulatory bodies which they would have to observe to gain recognition.

The council concludes that the greatest weakness in the present regulatory system is the failure "to deal effectively with commercial and financial fraud."

The council suggests "that an investigation into the conduct of complicated fraud cases is called for. Procedures at the Department of Trade, the office of the Director of Public Prosecutions, the police and the courts need to be examined by an inquiry charged with ensuring that suspected miscreants are speedily dealt with. This would include consideration of the question whether trial by jury is now the appropriate way of trying complicated fraud cases."

Isolated instances of fraud and dishonesty

They would become far less flexible and would suffer a serious loss of authority which would make them less energetic and innovative and less able to maintain the spirit rather than the letter of any rules.

The present arrangements have operated reasonably satisfactorily, it says. True, there had been "isolated" instances of fraud and dishonesty, but there had been no major failure in self-regulation such as had led to state intervention in other countries.

"On the contrary, the weakness has been primarily in the administration of matters within the field of government."

The council advances its own blueprint for improved

regulation of the investment community. It favours a revision of the Prevention of Fraud (Investments) Act, which Prof Gower said should be replaced by a Securities Act.

The council says anyone dealing in securities, investment management and possible investment advice would have to be authorised by the Trade Department which would have greater discretion.

There would be power to recognise self-regulatory bodies, membership of which would obviate the need for an individual authority from the Department of Trade.

The Government would prescribe minimum standards for the self-regulatory bodies which they would have to observe to gain recognition.

The council concludes that the greatest weakness in the present regulatory system is the failure "to deal effectively with commercial and financial fraud."

The council suggests "that an investigation into the conduct of complicated fraud cases is called for. Procedures at the Department of Trade, the office of the Director of Public Prosecutions, the police and the courts need to be examined by an inquiry charged with ensuring that suspected miscreants are speedily dealt with. This would include consideration of the question whether trial by jury is now the appropriate way of trying complicated fraud cases."

Midland offers new Access cash facility

By Paul Taylor

THE 1.5m Midland Bank Access credit card holders will in future be able to use their cards to draw up to £100 a week in cash from the bank's 400 autobank machines.

Midland is the first of the Access scheme partners to offer its customers this facility although Access's rival—Barclaycard—already offers cash dispensing facilities to its 6m customers through Barclays Bank's cash machines.

Midland's Access customers will be given a new personal identification number for using the facility. By the end of 1983 the bank plans to have 700 autobank machines in operation. Its present network of machines dispenses more than £22m a month to current account customers.

In a separate move yesterday, National Westminster Bank became the last of the "Big Four" High Street banks to reduce charges to its credit card customers.

The bank is cutting the monthly interest rate charged to its own 2.2m Access card holders by a quarter of a percentage point to 2 per cent from June 25. The move brings National Westminster, the bank which has issued more Access cards than any other bank in the scheme, into line with the reduction in Access and Barclaycard rates announced by the other major banks last week in the aftermath of the cut in base rate.

● The TSB banking group is spending £8m installing 400 automated cash dispensing machines throughout its branches in England and Wales.

Top executives' pay gains on Continentals

By Michael Dixon

British chief executives' salaries have gained ground on those of their counterparts in other European countries over the past three years, according to the latest survey of pay and benefits by international management consultants Towers, Perrin, Forster and Crosby.

By the UK top managers fell further behind their counterparts in the U.S., Canada, Mexico and Venezuela.

Indices to show changes over the three-year period—calculated on exchange rates in October 1978 and January 1982—are as follows. (The UK salary represented by 100 was £27,000 in 1979 and £42,00 this year).

	1979	1982
UK	100	100
Belgium	100	125
Brazil	170	125
Canada	115	130
France	170	140
Italy	130	110
Mexico	95	170
Netherlands	20	140
Spain	145	110
Sweden	155	125
U.S.	145	155
Venezuela	155	175
West Germany	215	155
Australia*	—	85
Hong Kong*	—	90
Japan*	—	145
Saudi Arabia*	—	215
Singapore*	—	85
Switzerland*	—	185

* Not covered by 1979 survey

Inflation rate of 7.5% forecast by Christmas

By James McDonald

THE RATE of decrease in inflation is accelerating and an annual inflation rate of no more than 7.5 per cent by Christmas is forecast in the latest regional cost of living report by Reward Regional Surveys, published today.

The survey—carried out in May in 106 UK towns—shows that the prices index in May was 9 per cent higher than a year ago. This compares with an 11 per cent increase over the year recorded in January, an 11.2 per cent rise over the year eight months ago and an annual rate of increase of 11.5 per cent in May 1981.

Pay rises of 10.5 per cent would be required to maintain living standards at last year's levels. "This figure will, of course, decrease as inflation decreases during the year."

In the regional comparisons of shop and services prices, Northern Ireland remains the most expensive area with prices 4.7 per cent above the average. This figure is influenced significantly by high car insurance and fuel costs.

Scotland is the second most expensive region with prices 1.7 per cent above the average, while the North of England and the Yorkshire-Humberside region are the cheapest areas, 2.7 per cent and 2.1 per cent respectively below the average.

House prices overall in May showed a 3.5 per cent increase from a year before. But about two-thirds of this rise has occurred since January, showing "a definite but slow upturn in the market."

House prices in Yorkshire-Humberside rose over the year by 7.5 per cent, but are still among the lowest in Britain.

The national average price in May for a three-bedroomed semi-detached house was £26,350, whereas in the East Midlands it was £20,125, in North-West £20,350, in Yorkshire-Humberside £21,300 and in the South-East £23,775.

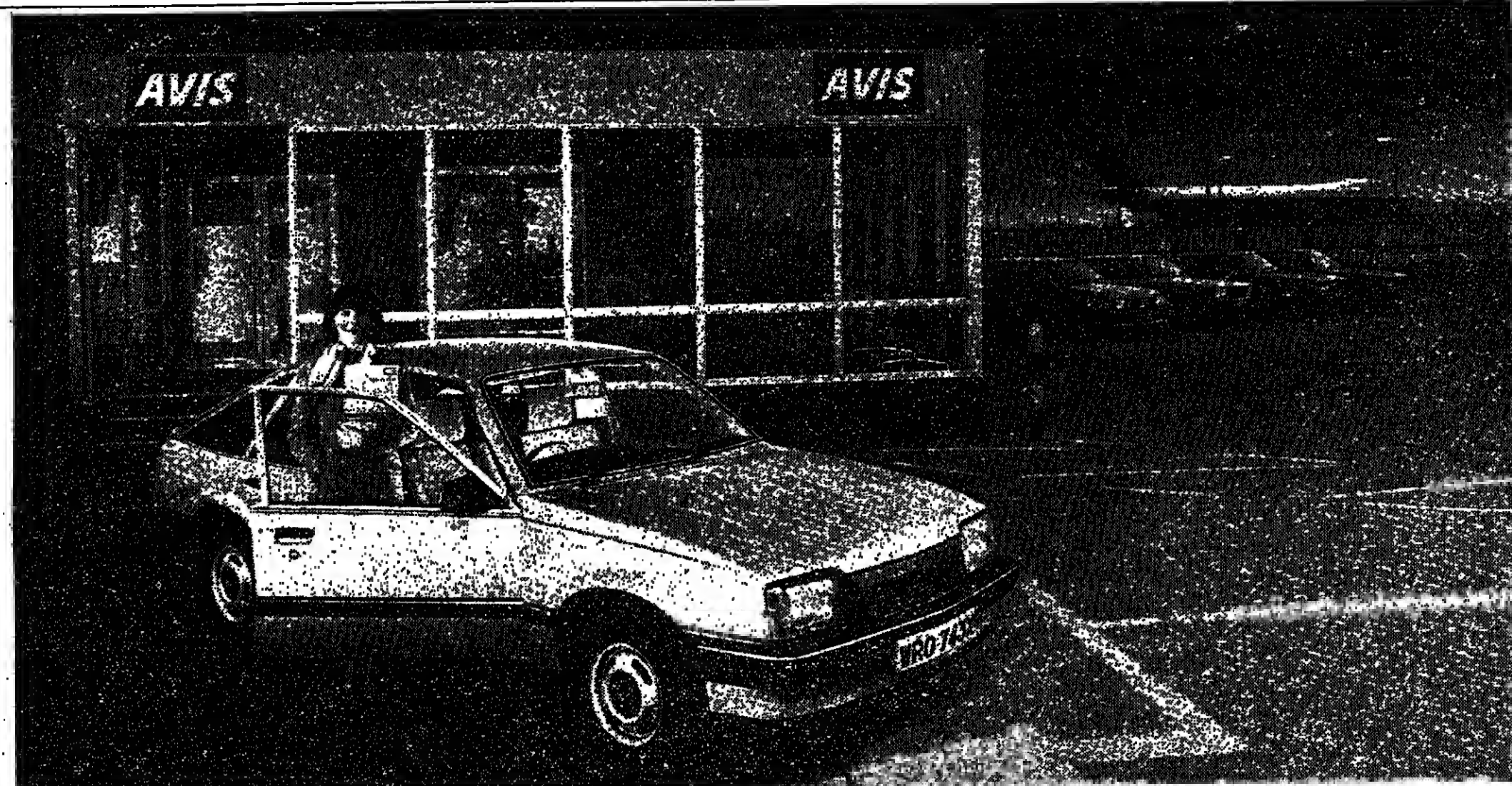
The full cost of living, including housing costs, was highest in three areas in Greater London—Ealing, Stanmore and Kingston. In Ealing and Stanmore, living costs for a family of four in a three-bedroomed detached house were 23 per cent higher than the national average and in Kingston 19 per cent higher.

At the other end of the scale, living costs in Morecambe were 13 per cent below the national average and in Kings Lynn and Lincoln they were 12 per cent lower.

In money terms, this means that a person earning £12,500 in Morecambe and living at the style we have set would need an extra £5,200 per annum to maintain the same life style in Stanmore. "Although an extreme case, the survey says this highlights the problem of persuading staff to move to more expensive areas."

Living costs in Basingstoke and Chatham come closest to the UK average for a family of four in a three-bedroomed detached house.

Regional Surveys, Cost of Living Report, June 1982, Reward Regional Surveys, 1 Mill Street, Stone, Staffs, £30.



If you're delayed, your Avis car will stay up late.

Whether your plane is fogbound in Paris, your high speed train is running late, or your meeting is turning into a marathon, don't worry. We won't.

We'll keep your Avis car for a full fifteen hours before we even think about renting it to someone else.

But whatever time you turn up, if you've reserved a car with Avis, we'll make sure you get one straight away.

If we don't have one in the group you asked for, we'll give you a bigger one for the same price. (Even if we have to go to a competitor to get it.)

To save you even more time and trouble we have the Avis Express Card.

It means you don't have to bother filling in rental forms and paying deposits. You use it like a charge card and we bill you later.

No one knows more than we do how you hate to be delayed.

AVIS

We try harder.



THE VAUXHALL CAVALIER 1600GL HATCHBACK

AVIS SERVICES INCLUDE STANDARD, EXECUTIVE AND LUXURY CAR RENTAL, CAR AND TRUCK LEASING, CAR PARKING AND CHAUFFEUR DRIVE. FOR RESERVATIONS IN THE UK OR OVERSEAS RING 01-645 3753 (LONDON AND SOUTH EAST) 031-537 6363 (SCOTLAND-EDINBURGH), 041-221 2227 (SCOTLAND-GLASGOW), 0532-444811 (NORTH OF ENGLAND), 02384-52333 (NORTHERN IRELAND), 021-632 4262 (MIDLANDS AND SOUTH WEST). OR SEE YOUR TRAVEL AGENT.

Railwaymen agree talks to avert all-out strike

By Brian Groom, Labour Staff

THE National Union of Railwaymen last night authorised talks aimed at averting the national rail strike it has threatened to begin on June 28.

The union's executive called for British Rail and its unions to hold a negotiating meeting of the Railway Staffs National Council today, following a meeting of the Rail Council, the industry's highest consultative forum.

Last week the executive barred Mr Sid Weighell, general secretary, from attending such a meeting. BR sources suggested last night the meeting was more likely to occur tomorrow rather than today. It remains to be seen whether the drivers' union, ASLEF, agrees.

Yesterday Sir Peter Parker, BR chairman, delivered a stark warning in a letter to BR's 225,000 employees.

He said more industrial action would lead to "no pay increase, no job to come back to for many of you, no prospect of investment in electrification."

Publicly the board is sticking firmly to its 5 per cent pay offer from September. This will be withdrawn if agreement on six productivity items is not reached by July 30.

BR sources suggest more money could be available ultimately if progress is made on productivity. There seems a possibility government money for part of the electrification plans could be available if this is achieved.

Some board members hope agreement on productivity can be reached with the NUR, isolating ASLEF. If it then comes to a battle with ASLEF on flexible rostering the network could be shut down rather than face a repetition of the winter's one-day strikes.

There are hopes of reaching agreement with the NUR on the Bedford-St Pancras line, where the union is holding out against removal of guards from new trains. A possible compromise could preserve about 30 of 60 existing jobs.

The NUR would also have to agree to removing guards from freight trains. BR wants 2,000 of these to go in four to five years.

Mr Ray Buckton, ASLEF general secretary, last night described Sir Peter Parker's letter as "a crude attempt at blackmail" which would only harm attempts to find a solution to the industry's problems.

Tebbit says people ignoring TUC attacks on Bill

By Brian Groom, Labour Staff

MR NORMAN TEBBIT, Employment Secretary, yesterday stepped up the war of words over his Employment Bill by claiming that the majority of people "have stopped listening to what the TUC have to say."

Meanwhile, the TUC launched a 45-minute video as part of its anti-Tebbit propaganda effort. It includes a recording of a London Weekend Television interview with the Employment Secretary.

The TUC said it was letting Mr Tebbit "speak for himself," betraying his hostile attitude. Mr Tebbit said in the interview that people were being "conned" by the unions, and that their wage increases were won by customers' orders rather than by union negotiators.

He was in a similarly uncompromising mood last night, giving his views on last week's Union Day to the Westminster branch of the British Union of Management.

The nation would benefit immeasurably if half the union time spent writing propaganda on the Employment Bill were directed towards making trade

unions more democratic and responsive to their members' needs, Mr Tebbit said.

People were fed up with the unions' negative attitude to every proposed industrial relations measure. In fact, most ordinary union members were in favour.

Union leaders were creating a "myth" that in amending the definition of a trade dispute, the Government was withdrawing the right to strike in the public sector.

"Purely political strikes are, of course, already unlawful," he said. "What we are proposing is that strikes which are primarily political despite the organisers' claim that they are concerned with, say, terms and conditions of employment will also be unlawful."

"This in no way affects the right of public sector workers or any other workers to be in dispute with their employer over such matters as their terms and conditions of employment."

Mr Tebbit said that his Bill in many ways increased the rights of working people. It did nothing to undermine the ability of trade unions to represent their members.

McGahey hits Labour policy over Falklands

By Our Scottish Correspondent

MR MICHAEL MCGAHEY, the Scottish miners' leader, yesterday accused Mr Michael Foot of failing the Labour movement by committing the party to the Falklands Task Force.

In his keynote address to the annual conference of the Scottish miners, Mr McGahey attacked the Government over the Falklands. Labour must now take the leadership, he said, "because Maggie Thatcher's hands are covered with the blood of young British and Argentine boys."

He welcomed the ceasefire. "Not another young boy should die in this senseless war. No more war in the Falklands. Put it in the hands of the United Nations."

He praised the stand of Labour parliamentarians who had spoken out against sending the Task Force including Mr Tony Benn, Mrs Judith Hart, Mr Tam Dayrell and Mr George Foulkes. They had stood out against jingoism.

Storm likely over miners' union head office

By Our Labour Staff

PLANS TO move the headquarters of the National Union of Mineworkers out of London to be in closer contact with the rank and file could provoke a political storm next month at the union's annual conference.

Kent miners have tabled a motion saying that the union's head office should be moved to a suitable venue within the coalfield areas as quickly as possible, and certainly before the 1983 conference.

Mr Arthur Scargill, NUM president, yesterday said he had always supported the idea of a headquarters sited in a coalfield. "It's important that the union leadership should be in contact with the rank and file," he added.

The executive of the NUM has already agreed in principle that the office in London's Euston Road should be sold because it is too small. That should raise about £1m.

Philip Bassett looks at Nalgo in the third article on the health dispute

Neutral union in political dilemma



Nalgo leader Geoffrey Drain — top salary

FEW UNIONS taking strike action directly against this Government are likely to see at their conference a delegate who is a self-proclaimed Conservative, arguing strongly for an extension of the strike.

But this happened at a debate on the National Health Service dispute at the annual conference of the National and Local Government Officers' Association (Nalga) this week illustrating starkly the contradiction at the heart of the union.

The nature of the employers of Nalga members—local councils, nationalised industries and the health service—places virtually all Nalga industrial action in a political context; yet many of its members are either apolitical or openly Conservative.

Conservative Trade Unions' group is active enough in the union to have a special Nalga sub-group. The CTU group argues that Nalga opposition to the Government's Employment Bill features "all the usual political claptrap which leaves most of our members cold."

The CTU delights in Nalga's 81 rejection by ballot this year of affiliation to the Labour Party, though oddly for a party political group, it sees this as a decisive rejection by the union of party politics.

At the other end of the political spectrum, the Communist Party, the Socialist Workers'

Party and Labour's Militant Tendency, are all active in the union. A Militant document circulating at the conference this week acknowledges the Labour affiliation vote is a "temporary setback," but argues that the current economic decline will secure affiliation in a much shorter time than the 20 years balloting it took to take Nalga into the TUC.

Even so, in general, the union is politically neutral, and this is reflected in its industrial attitude. Nalga is traditionally reluctant to take industrial action. Its health service members earlier this week refused even to discuss a resolution calling for an intensification of the present dispute which went beyond the TUC's programme. Indeed, many delegates agonised considerably over approving a motion which actually only just went as far as the TUC's plan.

As well as its politics, this caution is rooted in experience. While industrial action in 1980 by council computer staff was successful, its protracted social workers' strike the previous year was a disaster, losing the union £2.5m in strike pay. This directly resulted in a cut in the level of strike pay to £20, though exceptionally, its health service strikers are being paid at the rate of 55 per cent of normal pay.

Nalga's finances have now recovered after the social workers' debacle. Its general fund revenue account now stands at £2,775,264—a considerable turnaround on the £445,082 deficit it showed in 1980, after the strike.

This has been achieved by three sharp increases in subscriptions. Subscription income has more than doubled in two years, and last year showed a 50 per cent rise from £14.7m to £22.1m.

Strike pay last year was £501,000, but with a larger transfer of £1.3m from the general fund—6 per cent of gross subscription income—and an increase in investment in-

come the strike fund now stands at £3,578,463.

Unusually, Nalga's 1,225 branches retain a considerable amount of money—£5,487,869 last year—but Nalga officials believe this system may give branches too much autonomy and may have to be re-examined.

The union has invested heavily in property rather than shares. Its London skyscraper headquarters is valued at £3.9m, and it owns a holiday centre which made a loss last year of £57,485, and an hotel in Larga, Ayrshire, which also made a trading loss of £24,066. In contrast, its investments stand at only £1.9m.

This gradually recovering financial position sits oddly with Nalga's spectacular membership growth. With more than 800,000 members, Nalga is the largest white-collar union in the world, and its officials believe that it is poised to take over from the General and Municipal Workers' Union the position of the third largest TUC union.

Membership has more than doubled since the mid-60s, reflecting both a growth in the white-collar sector but more particularly in the level of unionisation of that group of workers.

While the union's structure has not kept pace with its growth in membership, the domination of its 69-member

elected executive is tempered by the high level of democratic involvement within the union. Annual elections for the executive tend to attract a vote of about 50 per cent, which is high in trade union terms.

Left-wingers in the union are now pushing against an executive decision which rules out of order branches adopting a shop steward structure.

Full-time officials are appointed, and enjoy some of the highest salaries in the trade union movement. Mr Geoffrey Drain, Nalga general secretary, is generally regarded as having one of the highest union salaries.

His salary is linked to local authority chief officers' pay, and with a 9.2 per cent increase due next month, will rise to nearly £30,000. Jockeying is now beginning in the union for the successor to Mr Drain, who is due to retire in November next year.

One effect of all this is to instil caution in Nalga's 100,000 health service members—mainly administrative and clerical staff—in the dispute. The union is committed to the strikes, though, and prodded by the National Union of Public Employees, the Nalga giant is moving slowly towards militancy in the health service.

Like much about the union, the movement is cautious—but probably inexorable.

South Wales mines closed for day to back health staff

By Ivo DAWNAY, Labour Staff

THE SOUTH WALES coalfields were shutdown yesterday after 23,000 miners held a 24-hour sympathy strike in support of the National Health Service workers' campaign for a 12 per cent pay rise.

The stoppage, which follows similar action by 40,000 Yorkshire miners, last week, was estimated by the National Coal Board to have cost a loss of 32,000 tonnes of coal valued at £750,000.

Delegations from all 33 pits closed by the strike joined about 15,000 demonstrators in a protest march through Cardiff. The march, which was organised by the Welsh TUC, also won the backing of civil servants, businessmen and other public service workers.

The National Union of Public Employees, the largest NHS union with 800,000 members, claimed that members of the National Union of Seamen and the Fire Brigades Union also took part in 24-hour strikes, the latter reducing services to emergencies only.

In Brighton, the annual conference of the 700,000-strong National and Local Government Officers' Association, voted unanimously to give full official support to all its members who

join the fourth 24-hour NHS stoppage due to take place on Wednesday next week.

More than 2,000 delegates agreed to urge members in local government, gas, electricity, transport, education and police services to join picket lines outside hospitals in protest at the Government's 4 to 6.4 per cent pay offers.

It is the first time in the union's history that all sections of the union have been asked to take action in support of a single group of members.

Mr Geoffrey Drain, Nalga's general secretary, told the conference: "There are those who are calling for a general strike—the day may come when that is necessary."

Clerical and administrative staff at two Glasgow hospitals are reported to have gone on indefinite strike in support of the pay campaign.

More than 50 Nalga workers employed in the medical record offices at Gartnavel General Hospital and the Western General Infirmary along with secretarial staff at the Greater Glasgow Health Board stepped up their action after rejecting as inadequate the present series of 24-hour stoppages.

Feature, Page 26

The easiest way to buy a small business computer is to look for this sign.



The difficulties involved in buying a small business computer used to be enough to send most businessmen running back to their offices to tackle something simple like the last six months' tax returns.

But now thanks to Digital, the world's leading manufacturer of minicomputers, it's no harder than buying a typewriter.

Authorised Digital Computer Distributors

Digital has selected a network of Authorised Computer Distributors that have demonstrated a proven track-record for market expertise, sound financial resources and an ability to provide customer satisfaction to Digital's own high standards of excellence.

It means that you can now buy complete packages of software and hardware tailored precisely to your needs and all from a single supplier. Whatever your application area. With expertise ranging from production and distribution control to freight forwarding and accountancy, you can now be sure of getting the right advice from people who really understand your needs.

And because you're a businessman, not a computer programmer, Digital's Authorised Distributors won't baffle you with technical jargon. On the contrary, you'll be surprised how much they'll know about your business and the specific problems it involves. So they'll be able to explain just what a Digital computer can do for you, in terms you'll understand.

Widest Range of Systems

Digital make the widest range of tried and trusted systems, so whatever your requirement is we've the hardware to match.

And there's no need to worry about your business outgrowing the system because Digital's computers can be easily upgraded to grow at the same pace as you do.

So why not discuss your business computer needs with a Digital Authorised Distributor now? Fill in the coupon indicating your application area and we'll put you in touch with the Distributor who can best help you. We'll also send you our free booklet "A Strategy For Buying a Small Business Computer."

Authorised Digital Computer Distributors appointed in the U.K. and Ireland:

A.C.T. (Computers) Ltd.
111 Hagley Road, Edgbaston,
Birmingham B15 2LB.
Tel: 021-454 8565.

Alverson Computer Systems Ltd.
Alverson House,
Ryde Avenue, Hull HU3 1QQ.
Tel: 0482 445401.

Applied Computer Systems Ltd.
Warwick Road, Old Trafford,
Manchester M16 9QQ.
Tel: 061-672 8521.

Arbat (UK) Ltd.
100 Queen Victoria Street,
London EC4V 4DA.
Tel: 01-248 0499.

C.H.A. Group.
1, 2 & 3 Angel Court,
Market Harborough, Leics. LE16 9QR.
Tel: 0856 63902.

Cambridge Online Systems Ltd.
Trafalgar Way,
Bar Hill, Cambridge CB3 8SQ.
Tel: 0934 81018.

Heslyn Systems Development Ltd.
Africa House, 64-78 Kingsway,
London WC2B 8PC.
Tel: 01-242 1951.

Management Control Systems,
3 Wynnstay Grove,
Fallowfield, Manchester M14 6XC.
Tel: 061-248 7100.

Online Computing Ltd.
Marino House, 33 Glashtule Road,
Sandyhook, Co. Dublin,
Tel: Dublin 800310.

To Teresa Gubbin, Digital Equipment Co. Limited, Digital Park, Imperial Way, Reading RG2 0TR. Tel: Reading (0734) 868711. Please send me your new brochure. FT17/6

Name _____
Position _____
Company Application _____
Address _____
Tel: No. _____

digital

We change the way the world thinks.

UK NEWS - PARLIAMENT and POLITICS

Tories warn
Howell
over
juggernauts

By Ivor Owen

MINISTERS received another series of sharp warnings from the Tory back benches in the Commons yesterday of the perils awaiting them if they persist in trying to push through the proposal to permit heavier (but not bigger) juggernauts.

Mr David Howell, Transport Secretary, listened in grim silence as the critics brushed aside the Government's case that heavier lorries would lead to improved efficiency in British industry and, because fewer vehicles will be needed, would benefit the environment as well.

To cheers from a number of back bench colleagues, Mr Anthony Nelson (C Chichester) urged Ministers to think again "before announcing a course of action which in my judgment will be gravely damaging politically to our party and to many of the people whose interests we represent in the House."

Mr Nelson insisted: "There is simply no way you can guarantee heavier lorries will mean fewer lorries."

Mr Howell, who has been working hard to prevent any repetition of last December's revolt by Tory back benches—11 voted against the Government and other abstained—underlined the efforts which were being made to "civilise the juggernaut."

The heavier lorries favoured by the Government, he explained, would be safer and quieter and stricter enforcement procedures would ensure that they kept to prescribed routes designed to keep them away from villages and high streets.

Mr Howell looked in the Tory back benches for "full support" for the comprehensive package of measures the Government had in mind.

But, significantly, whereas last month he promised a statement "shortly," he gave no indication of the timing of the long-awaited announcement removing the present 321 tonne permitted maximum weight for lorries used by British industry.

Mr David Crouch (Con Canterbury), one of the leaders of the back bench rebels, made it clear that his attitude would not change.

"I would find it impossible to support any proposition to increase the weight of juggernauts on our roads," he declared. Mr Crouch explained that while he had a high regard for Mr Howell and his ministerial colleagues he took a different view of the Department of Transport which over the years had let down Ministers and MPs by not keeping promises in regard to road developments.

SDP LEADERSHIP ELECTION

Differences of style and tone divide the candidates

BY PETER RIDDELL, POLITICAL EDITOR

DIFFERENCES of tone and style rather than of substance, appear in the statements sent out to members of the Social Democratic Party by the two candidates for the leadership, Mr Roy Jenkins and Dr David Owen.

Their 750-word statements, have been sent out with ballot papers to the 65,000 party members in an election which lasts until July 2 and could be a close-run contest.

The distinctions are subtle, in what are, generally uncontroverted manifestos including all the favoured SDP "code words." Both statements, for example, contain references to the need for a radical approach and stress further changes in a wide variety of social, industrial and constitutional matters.

Mr Jenkins argues that the contest is not between conflicting ideologies. "Differences of view occur within the leadership, but they do not follow any pre-ordained line-up. Still less do they fit a left/right pattern. It was in any event to get away from such sterile misleading labels that many of us broke out of the old politics. The SDP is

the most spontaneously united grouping that I have seen in politics. No leadership contest must disrupt that natural and valuable harmony.

Dr Owen argues that it is essential that "we identify what kind of party we are, and wish to become. We left our former parties or entered politics for the first time because we share a common belief: the conviction that our country is badly governed and ill-served by the old political parties, the conviction that Britain needs a New Deal. We are resolved to change the system. The Labour Party is disintegrating. We have attracted considerable support from former Conservatives and will continue to do so, but that party is not a spent force. Our task is to be the radical party at home and abroad."

On the same point Mr Jenkins says: "It is the SDP's intention and desire to win some of both Labour and Conservative seats and votes. 'It is the only way in which we can make the alliance the Government of the country. Nor within the alliance is there any question of our fighting only the traditional



Roy Jenkins (left) and David Owen: claims staked for support.

Labour seats. We have insisted on our fair share of all sorts of seats.

"Nevertheless," Mr Jenkins argues, "it is the Labour Party that we are most likely to drive out of the arena of Government. Our historical role will almost certainly be to take over as the

main political force opposed to the Conservatives. We are a radical party and must remain one."

The main difference between the two candidates in the past has been widely thought to be their attitudes towards the alliance with the Liberals, with

Dr Owen placing more stress on the SDP's distinctive approach.

Dr Owen argues that the SDP has "identified and mobilised a new political force. Our principle partnership with the Liberal Party is indispensable electorally, and in major policy questions we are in close agreement. But we should not appear to merge into a single Alliance Party."

"We gain strength and respect as Liberals and Social Democrats from being seen as two parties working together while retaining an appeal to a broader spectrum of the electorate. In doing so, we show, as part of achieving proportional representation, that Social Democrats and Liberals will be natural coalition partners in Government."

Mr Jenkins says: "This is a vital alliance which has mostly worked well on the ground. At its best it is a real partnership of principles. Our separate SDP identity is, however, essential to the whole enterprise. It is our creation which has lit a flame in the country. We can

be firmly with the alliance, while proud of our distinct SDP philosophy and membership which many have worked hard to create."

In his conclusion, Dr Owen stresses his long-term commitment to the party, his unstated reference to the gap in years compared with Mr Jenkins. He says: "Win or lose, all my commitment, energy and efforts will be directed to a Social Democrat victory in alliance with the Liberals at the general election."

Dr Owen is backing an anti-nuclear pressure group formed within the SDP. His support was made clear yesterday in a statement sent to the recently formed Social Democrats CND and Peace Group.

Dr Owen said he was still in favour of the Campaign for Nuclear Disarmament's unilateral commitment but he acknowledged that a large area of common agreement existed between the multilateralists and unilateralists.

The SDP CND and Peace Group is to be launched publicly in London on Saturday.

Ulster Bill guillotine
decision likely today

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

THE CABINET is expected today to agree to guillotine debate on the Committee Stage of the Northern Ireland Bill.

It is coming under pressure to do so from the main body of its own back benches who have already been forced to sit through three all-night debates on the Bill, were expecting another such performance last night, and cannot face the thought of two more all-night sittings next week.

Particularly galling to the increasingly crumpled, red-eyed Tory back benches is the sight of rows of fresh-faced Labour MPs. Since Labour is neither supporting nor opposing the Bill its back benches have had an early night on each day of the Bill's Committee Stage.

The Government is naturally reluctant to cut short a constitutional debate. It is also reluctant to give the hand of about 20 Tory rebels who are staging a filibuster, precisely what they want. For a guillotine would give them the opportunity to protest loudly and publicly while sparing them the effort of staying up all night and dreaming up further arguments to flesh out their case.

On Tuesday the filibusters appeared determined to stave off the frivolity that characterised

earlier debate and to stick as closely as possible to the substance of the Bill.

As the night drew on, however, tempers frayed as members began to return to the Chamber showing signs of having dined well and the earlier cogency of arguments was not maintained.

Much of the afternoon's debate, was taken up with attempts by several Ulster Unionist MPs to pin down the Northern Ireland Secretary, Mr James Prior, on his insistence that devolution should have "cross-community support." Did this mean that it should be acceptable to Catholics as well as Protestants, or to nationalists as well as unionists.

The cross-sectional definition, might be acceptable suggested Mr Peter Robinson (DUP Belfast East) but the political definition would not. Mr James Moynihan (OUP Antrim South) went further, suggesting that if Mr Prior insisted on the need for the support of republican political parties such as the Social Democratic and Labour Party then it might be better to scrap the whole Bill and concentrate on strengthening local government.

Parliamentary Sketch

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A MOOD of complete lassitude descended on the Commons yesterday in the wake of Mrs Thatcher's resounding "Iron Lady" performance of Tuesday when she announced the ending of hostilities in the Falklands.

It is obviously going to take some time for the Westminster fraternity to adjust to the new state of affairs. Anxious backs were thrown into confusion and were to be seen earnestly discussing how they could face a day without dramatic developments from the war front.

In the Chamber bleary-eyed MPs once again settled down to a marathon session of the Committee Stage of the Northern Ireland Bill, having sat through the night on it until 9.15 am. One of the chief opponents of the Bill, Mr Enoch Powell (OUP Down South) prepared with grim dedication to spend his seventieth birthday slogging through yet another all-night sitting on the legislation.

His colleague Mr James Moynihan, leader of the Official Ulster Unionists, observed that although the pro-

posed Northern Ireland Assembly would have no real influence or power, they would not prevent its members talking on a wide variety of matters.

Alas, those of us who have followed Northern Ireland affairs over the years could only agree with him. Mundane considerations of practical politics have never silenced Ulstermen in the past and are not likely to do so in the future.

With these wearisome events dragging on there was only one course open to the earnest seeker after truth. That was to head for the House of Lords where the veteran Labour peer Lord Brockway has initiated a debate on this week's special disarmament session at the United Nations.

Lord Brockway is a gentle idealist of the old school whose pacifism makes even Mr Foot's pacemongering look somewhat tarnished. Clearly he was undeterred by Mrs Thatcher's brusque dismissal of the UN session during her Falklands statement.

"I am 93 years old but I believe I am going to live to

see the end of nuclear weapons in the world and the beginnings of world disarmament," the silver-haired Peer declared passionately.

Much of the debate followed a predictable pattern with the majority of the clerics taking a lofty moral stand and calling for an end to the arms race and the proliferation of nuclear weapons.

The Bishop of Winchester, the Rt Rev John Taylor, did not go as far as to call for unilateral nuclear disarmament by Britain and conceded that some deterrence was justified, but he found the arms trade deeply distasteful and urged the Government to take seriously the outcry of the peace movement.

Lord Soper, former president of the Methodist Conference, and a veteran of the nuclear disarmament movement, had no such reservations. He was in favour of unilateral renunciation of nuclear weapons and attached "great importance" to President Brezhnev's announcement on Tuesday that the Soviet Union would never be the first country to use nuclear weapons.

Then came a surprise diversion with the intervention of the Bishop of Norwich, the Rt Rev Maurice Wood. Although he gave place to nobody in his abhorrence of nuclear war he seemed to think that with the record of Soviet untrustworthiness the West would do well to keep its powder dry. Perhaps his views were coloured by his spell as a chaplain to the Royal Navy and it may not be without significance that the books he has written on Christianity include a work entitled "Like a Mighty Army."

Bishop Wood believed that the past 37 years without a major war between the great powers was largely due to the nuclear deterrent. He was dubious about the possibility of unilateral disarmament existing in the Kremlin and reminded peers that Russian police earlier this week, detained and interrogated 11 members of the Soviet Union's own fledgling peace movement.

Hopefully, a Labour peer, Lord Jenkins of Putney, suggested that the two bishops should argue it out between themselves and arrive at a compromise.

Labour
independent
decides to
join SDP

By Our Political Editor

GEORGE CUNNINGHAM, MP for Islington South has decided to join the Social Democrats after nearly eight months in political limbo. He becomes the party's 30th MP at Westminster.

Mr Cunningham left the Labour Party last November and has since been acting as a Labour independent. He said then that he wanted a prolonged period to consider his future and whether to remain an independent.

In a statement yesterday Mr Cunningham pointed out that he had backed the SDP in recent local elections "openly and publicly. I have now decided in the light of local affairs and the national situation that I should join forces with the SDP."

Mr Cunningham said he would fight his constituency at the next general election if his local party wanted him to do so. He is in a strong local position, but there is likely to be a complicated manoeuvring as the SDP now has all three Islington MPs (Mr John Grant and Mr Michael O'Halloran are the others).

While the number of seats due to come down to two from Boundary Commission recommendations are implemented, the SDP in Islington has had a difficult time recently.

EEC link
aids Welsh
investment

By Robin Reeves

AN INCREASE in inward investment into Wales since Britain joined the European Community was reported yesterday by Mr Owen Rees, head of the Welsh Office's Industry Department. He was speaking to the Commons Welsh Affairs Select Committee.

Some 16 manufacturing companies from outside the EEC had established units or decided firmly to establish units in Wales since 1973, Mr Rees said. Of these 23 companies, responsible for half the 11,000 new jobs being created, indicated "spontaneously" that EEC access was the principal reason for investment in Wales.

A Welsh Office memorandum, prepared for the committee's latest investigation into the impact of EEC membership on Wales, underlines the growing importance of inward investment to the Welsh economy. "In 1980, nearly 60 per cent of inward industrial investment in the EEC came to Britain and this represented over 30 per cent of all such investment worldwide."

Mr Rees conceded that EEC membership could have had detrimental effects for some parts of the United Kingdom. Certainly there had not been a large flow of manufacturing investment from continental EEC member countries into Wales. "The same influences do not appear to be at work," he said.

Increasing child benefit 'a first priority'

BY ROBIN PAULEY

RAISING CHILD benefit, preferably to £3 a week at a cost of £1.2bn, is the first priority for aid to the low paid, the Trades Union Congress told MPs yesterday.

Mr David Bassett and Mr Alan Fisher told the all-party subcommittee of the Commons Treasury and Civil Service Committee inquiring into income tax and income support that other priorities would include job creation, raising tax thresholds and reduced initial tax rate bands.

But child benefit was the first priority and there was enough scope for expansion of the economy for the increased expenditure involved to be acceptable without any corresponding increase in revenues.

The TUC had proposed £3bn of net additional expenditure to stimulate the economy. Mr Bassett said the TUC was now considering a national minimum wage although there were differences of opinion among union leaders about its practicality.

Mr David Lea, assistant TUC general secretary, said that in the last three years the proportion of income paid in tax by those on half the average earnings had risen from 12 per cent to 19 per cent. Only the very highly paid, earning above £17,000 or £18,000 a year were better off in tax terms.

David Goodhart said: Every working day three people are killed at work and over 1,000 seriously injured, according to the TUC evidence on health and safety at work presented

to the Commons Select Committee on Employment. But, giving evidence to the committee yesterday, TUC representatives mounted a strong defence of the work of the Health and Safety Commission.

Mr Ray Buckton, chairman of the TUC social insurance and industrial welfare committee, said: "The work of the commission has been a fine example of co-operation between employers and unions to the mutual benefit of both."

Labour tends towards another internal war

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

BEHIND THE green iron doors of a converted factory in Hackney, London, the organisers of the Militant Tendency organisation are preparing for a fight which, they say, will "split the Labour Party from top to bottom." If the party's report into their activities, due to be published next week, results in action against them, they will "appeal to every corner of the Labour Party."

Whatever happens, they insist, they will not be driven out of the Labour Party for good. They claim a stronger right to operate within the Labour Party than the Right, who they maintain are the real infiltrators.

"If the Right temporarily succeeds in expelling us," says Ted Grant, the political editor of the Militant newspaper, "we will go to every local party, union, branch and co-op to explain what Militant really stands for."

They make clear their tactics will be to try to whip up a storm of protest among the Left-wing dominated constituency parties which will make last year's struggle for the deputy leadership seem relatively bloodless. They will attempt to do this by presenting any move against Militant as only the first step of a campaign by the Right—a category into which Mr Michael Foot, the party leader, is now dismissively put—to rid the party of all its Left-wing elements.

As a second strand of the fightback, they will mount a new campaign to discredit the Right by linking it with the CIA—an organisation universally detested by Labour activists.

Publication of the report is almost certain to widen the rift between the constituency section

of the party and the Parliamentary Labour Party for, as far as many Labour MPs are concerned, the report offers Labour one last chance of redeeming itself with the electorate by getting rid of what they regard as a scourge within its ranks.

Militant is committed to the ideas of Marx, Lenin, Engels and Trotsky. Its stated aims include the abolition of the monarchy, as well as the House of Lords: the

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election.

nationalisation of the top 200 companies, together with any firms threatening redundancy; and a £16bn increase to public spending. Its overall goal is the overthrow of the capitalist system, and its literature is peppered with references to the "crisis of capitalism."

As far as most MPs are concerned, it is a revolutionary organisation committed to a form of democratic centralism which makes it unsuitable for membership of the Labour Party.

Mr Grant and editorial board member Mr Peter Taffe insist that they are not revolutionaries. They believe in the peaceful transformation of society, and in parliamentary democracy, they say. Their aim is to get the Labour Party committed to Marxist ideas "so as to get Labour elected by an overwhelming majority."

A prerequisite of change, they insist, is the disbelief of many Labour MPs—is a parliamentary majority. They would

have no objection to the Tories and Liberals continuing to exist once they obtained power, they say. The only "slight difference" would be that the Press would be controlled by the workers and that space in it would be allocated according to the amount of support for any party at the election.

Militant's roots go back to the Revolutionary Communist Party, formed in 1944 at the bidding of the Fourth International.

Labour's deputy leader, Mr Denis Healey, said last night that the party's national executive committee was set to outlaw Militant Tendency, which he described as "a

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

seizure of political power. He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election."

the inquiry team. According to moderates, the evidence proves without doubt that Militant is a revolutionary organisation dedicated to infiltrating the Labour Party.

The documents apparently show that Militant has a highly structured, centralised organisation with a central committee and a network of 19 district committees and about 40 branches.

Militant also denies having "members" or a central organisation. All it admits to is a central editorial board which produces the paper.

Mr Foot, however, seems convinced that the evidence will show that Militant is in breach of clause 2 of the party's constitution. He is not prepared to say, in advance of publication of the report, what he is prepared to do about it.

At one end of the scale is the minimalist option, which means putting Militant supporters on trust. Party members should have to agree to a statement of principles which would reaffirm Labour's belief in parliamentary democracy, and reject the Trotskyist concept of democratic centralism.

Another option would be to give all Militant supporters the choice of belonging to Militant or the Labour Party. Under this formula, Militant supporters would not be able to sell openly at Labour Party meetings and those under six Militant members who have been selected as Labour candidates would have to renounce their support for Militant.

A more drastic solution, being urged upon Mr Foot by some of the leaders of the Solidarity Group, is that he should expel all Militant employees and board members.

Lloyds Bank Access
Reduction in Interest Rate

Lloyds Bank announces that with effect from 1st July, 1982, the monthly interest rate charged to its Access cardholders will be reduced from 2.25% to 2%.

From that date the new rate will be applied to all interest bearing balances, cash advances and all purchases attracting interest for the first time.

This change will mean that the Annual Percentage Rate of Charge will be reduced from 30.6% to 26.8%. When the card is used for purchases, however, the flexibility of choice available for repayment means that, in many cases, cardholders may pay at a lower annual rate of charge.

The first sentence of Condition 5 of Lloyds Bank's Access Conditions of Use will be amended from 1st July, 1982, to read as follows:—

"Interest will be charged at the rate of 2% per month on a daily basis equivalent to a maximum annual rate of 26.8%."

The percentage rates quoted in Condition 6 of Lloyds Bank Access Company Cards Conditions of Use will be similarly amended from the same date.



Lloyds Bank

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

FINANCIAL TIMES SURVEY

Thursday, June 17 1982

ACCOUNTANCY

While its members cope with the recession, the accountancy profession's representative bodies continue to wrestle with the problems of agreement on standards, inflation accounting and the like. The process is likely to gain fresh impetus through the arrival of a new chairman at the central Accounting Standards Committee.

Aims of the new man in key post

By Barry Riley

SOME SIX months ago Ian Hay Davison, senior partner of Arthur Andersen, was appointed chairman-elect of the UK Accounting Standards Committee (ASC). At the beginning of July he formally takes up this key post in the British accountancy profession, initially for a two-year term.

Until now, Mr Davison has been reluctant to talk about his plans to inject new life into the ASC, partly because of the complex framework of accountancy politics in which he is operating and partly out of deference to his predecessor, Tom Watts, of Price Waterhouse.

Mr Watts remains ASC chairman until the end of this month and has himself been identified with controversial proposals to reconstitute the ASC. These plans were published by the ASC last year as the pamphlet 'Setting Accounting Standards: Better known as the Watts Report'.

Now, however, Mr Davison is willing to explain his proposals, which have still to be formally approved by the six UK accountancy organisations which make up the ASC's parent body, the

Consultative Committee of Accountancy Bodies

"What I am trying to do is to implement those aspects of the Watts Report that touch upon the constitution, membership and operation of the ASC," says Mr Davison.

But he is not putting forward any plans to implement the more controversial enforcement measures outlined in the Watts Report, measures which were opposed by several of the six parent bodies—though they were approved by the largest of these, the English Institute of Chartered Accountants. The Watts Report had called for the setting up of a special panel to review cases of non-compliance by listed companies—with Stock Exchange co-operation. In fact enforcement will continue, as in the past, to be the responsibility of the six parent bodies.

The most eye-catching of the Davison proposals is the plan to reshape the membership of the ASC quite radically. Not only will the number of seats be cut from 23 to 20; only 15 will be reserved for professional accountants. The other five will be available to representatives of users of accounts—who may not themselves necessarily be qualified accountants.

The present membership structure is a reflection of the balance of power within the profession more than a decade ago when the ASC was first set up. The English Institute dominates with a built-in majority of 12 seats out of 23. The Scottish Institute has three and the other four bodies have two each. But at least one of these, the Association of Certified Accountants, has complained that rising membership in the past decade has left it under-represented on the ASC.

Now there is to be a major change in representation. Each

of the six bodies will only be guaranteed one nomination. But the interests of all six will be balanced by their representation on a new nominating committee. This will allow the ASC to move over to what Mr Davison describes as a "best man for the post" policy.

It is envisaged that this nominating committee will select 15 qualified accountants, split among those in professional practice—the auditors—and those in industry (including the public sector) who can be described as the preparers of accounts.

Connections

The other five places are intended to be filled by the third major interest group, the users of accounts. Mr Davison aims, for instance, to bring one or two prominent company chairmen on to the committee—probably drawing here upon his connections at the Confederation of British Industry, where he is a council member.

The nominating committee will also be looking for a senior banker to represent one important group of specialist users of accounts. It is expected too that the Council of the Stock Exchange will help in finding a stockbroker to sit on the committee and represent shareholders' interests. Or it may be that the investing institutions like pension funds and insurance companies will be represented directly.

This would complete the membership of 20 but Mr Davison is also anxious that the ASC should benefit from a direct Civil Service input. "The next few years are going to involve close communication with Whitehall," he observes, "but this will not be handing the

standard-setting process over to Whitehall."

Although Civil Service members of the ASC would not be appropriate, Mr Davison proposes that two Whitehall men should be admitted to ASC meetings as observers. He envisages that one would come from the Department of Trade and one from the Treasury.

Although these plans are fairly specific, Mr Davison points out that the reconstitution of the membership of the ASC cannot be an overnight achievement. The need to provide for continuity will dictate that the transition to the new structure can only be implemented over an extended time span. "It will be phased in over a three-year period," he says.

In future too a regular turnover of the membership will be aimed at. Until now members have been appointed for an indefinite term—apart from the chairman, who has a two-year tenure, and will continue to do so—and some members have been on the committee ever since it was set up in 1970.

The idea now is that members will be appointed for three years, a term which will be renewable only once.

To make it more practical to attract outside members, changes are planned in the way the committee operates. For instance, meetings will be held no more frequently than once a month and will last only half a day. In the past meetings have sometimes been fortnightly and attendance has been patchy. Sometimes, it is said, there has been difficulty in getting a quorum.

In the future members are to be expected to attend regularly but there will be some compensations. For instance, it will no longer be a requirement that

CONTENTS

- Public audit controversy II
- Challenge to current cost accounting II
- Big firms no longer shy III
- Small practices and client demands III
- Mexico congress forum for world debate IV
- Hard times seem no spur to closer harmony IV

members should chair sub-committees and working parties—though clearly some will continue to do so. Moreover, to make life easier for people like busy company chairmen they will be allowed to bring personal assistants to hear the ASC's debates. "But we will not permit alternates," insists Mr Davison.

The objective of these changes in the structure of the ASC, according to Mr Davison, is to improve its stature and authority. Although the plans still have to be approved by the leaders of the profession, the groundwork has clearly been done very carefully. "We've had a very fair wind," he says.

The opportunity will be taken to correct the anomaly whereby the ASC is financed by its parent bodies in proportion to their numbers of seats. Other CCAB sub-committees are financed by the parent organisation in proportion to their membership and the ASC will now fall into line with this pattern.

But whatever the advantages of the new constitution of the ASC, inevitably much is going to depend upon Mr Davison himself. To make room for the

TOP 20 ACCOUNTANCY FIRMS

Ranking	Partner	Professional staff	Staff/partner ratio	Total professional staff	Fees (£m)	Fees/partner ratio (£'000)	Ranking by fee/partner ratio
1	Pear Marwick Mitchell	176	2,625	16.02	2,996	52.3	233.1
2	Deloitte Haskins and Sells	234	2,140	11.32	2,321	51	281.6
3	Coopers and Lybrand	181	2,064	12.14	2,234	50.8	294.1
4	Price Waterhouse	170	2,228	11.06	2,429	47	233.8
5	Ernst and Whinney	261	2,037	13.31	2,190	43*	281.0
6	Touche Ross	153	1,970	11.52	2,141	40	233.9
7	Arthur Young McClelland Moores	171	1,831	8.60	2,044	34	159.6
8	Thornton Baker	213	1,128	12.53	1,218	29.5	327.8
9	Arthur Andersen	90	1,407	10.20	1,545	27.8	201.4
10	Thomson McLintock	138	1,050	8.75	1,170	22.5	187.5
11	Spicer and Pegler	120	1,008	8.33	1,129	22.5	185.9
12	Binder Hamlyn	121	925	6.38	1,070	20.8	137.9
13	Faurell Carr Forster	83	441	5.38	533	11	134.1
14	Dearden Farrow	66	462	7.0	528	10.75	162.9
15	Neville Russell	67	536	8.60	603	10.8	149.2
16	Robson Rhodes	75	523	6.97	598	10	133.3
17	Kidsons	37	440	11.89	477	10	270.3
18	Stoy Hayward	40	375	9.38	415	7.2	180.0
19	Hodgson Harris	43	303	7.04	346	5.6	130.2
20	Armitage & Norton						

Notes: * Net of recoverable expenses; * FT Estimate; \$ Estimate by firm Moore Stephens declined to participate. Research by Jan Schling, FT Editorial Research Desk.

challenge he has given up the managing partner's role at Arthur Andersen but he still believes the ASC chairmanship need be no more than a two-day-a-week job.

Mr Davison will undoubtedly display a markedly different style of ASC chairmanship from that of his predecessor, Mr Tom Watts, who is a technical expert. Mr Watts has spent much of his period of office sorting out thorny technical issues like current cost accounting (CCA) and foreign currency translation and in seeking better harmonisation with the Continental Europeans and the Americans. He has been heavily involved personally in drafting standards.

But as a much more powerful figure within the profession Mr Davison can be expected to revert much more to the style of the first ASC chairman, Sir Ronald Leach, a former senior partner of Pear Marwick Mitchell. The emphasis is likely to be on practical issues rather than on theoretical problems.

Hinting at the early agenda, Mr Davison observes that "we should deal with the issues that are pressing. If that sounds as though the ASC is a reactive body, probably it is." The

pressing problems include the resolution of the CCA controversy, and the revision of standards in the light of new companies legislation in areas like mergers, acquisitions and goodwill.

Delegate

Mr Davison can be expected to delegate much of the theoretical side of the standard-setting process. He proposes to form a small planning sub-committee, seeing a need "to get better control over the work programme." No immediate changes are proposed in the secretariat, although he recognises that it is "probably not big enough."

His main role will presumably be in the arena of business politics—in trying to balance the conflicting interests of auditors, account preparers and users.

By bringing all these interest groups on to the ASC he will endeavour to avoid situations in which companies preparing accounts believe that standards are devised mainly in order to give auditors a stick to beat their clients with, or in which users like investment analysts habitually rework the figures

for their own purposes, as they do for instance for deferred tax.

In recent years the ASC's reputation has undoubtedly been damaged by problems such as the CCA controversy and the lengthy delays over foreign currency translation. The programme of standards has seemed to slow down—though this may not have been an entirely fair impression. Much work has been going on behind the scenes. Some of this activity is now starting to show through, as with the exposure draft on leasing.

The standard-setting process remains a vital element in the accountancy profession's self-regulatory framework. If the profession appears to be handing over some of the responsibility for standards to non-accountants by broadening the basis of the membership of the ASC, and is even accepting a more formal link with the Civil Service, that does not imply that accountants are ready to accept greater political influence over the way in which accounts are prepared. But the accountancy profession has decided that if it is to win the battle a few tactical concessions may be prudent.

SMARTEN UP YOUR PRACTICE. GET A TAILOR-MADE S6000.

If you want a system that copes with all the intricacies of your accountancy needs without turning you into a computer programmer, you can rest assured.

The S6000 multi-work station computer does just that.

It's the basis of a special package we've designed specifically for accountants. Code-named 'Compass', it's the end result of years of development by practising accountants.

It has a brilliant brain, yet it's simple to operate.

Its language is 'user friendly' but it also communicates by printing out accounts in whatever format you require.

We've also made the S6000 extremely versatile, allowing it to operate numerous workstations independently of each other.

These are all monitored by a unique Olivetti development.

Its full title is the British Olivetti System Supervisor. We call it 'Boss'.

Boss ensures the work-stations don't conflict and organises their various tasks into orders of priority.

The S6000 can also boast that it's the first computer of its kind to combine three vital functions.

Firstly, whether it's starting from client produced accounts or a 'shoebox' situation, the S6000 can give you finished accounts in a fraction of the time it takes manually.

And it'll print them out automatically. Secondly, it can provide a fully comprehensive book-keeping service for your clients.

And thirdly, we've built in a time recorder so you can check exactly how long you spend on a client and charge them accurately.

Already two hundred S6000 systems have been installed.

Which isn't really surprising when you consider just how carefully we've developed our software.

If you want to find out why we've sold more accountancy systems than anyone else, send off the coupon.

Until you get the S6000 installed, that's the smartest thing you can do.

Please send me details of the Olivetti "COMPASS" (Complete Olivetti Modular Professional Accountant System Solution).

To: Valerie Belfer, British Olivetti Ltd., Olivetti House, P.O. Box 89, 86/88 Upper Richmond Road, London SW15 2UR.

Name

Position

Company

Address

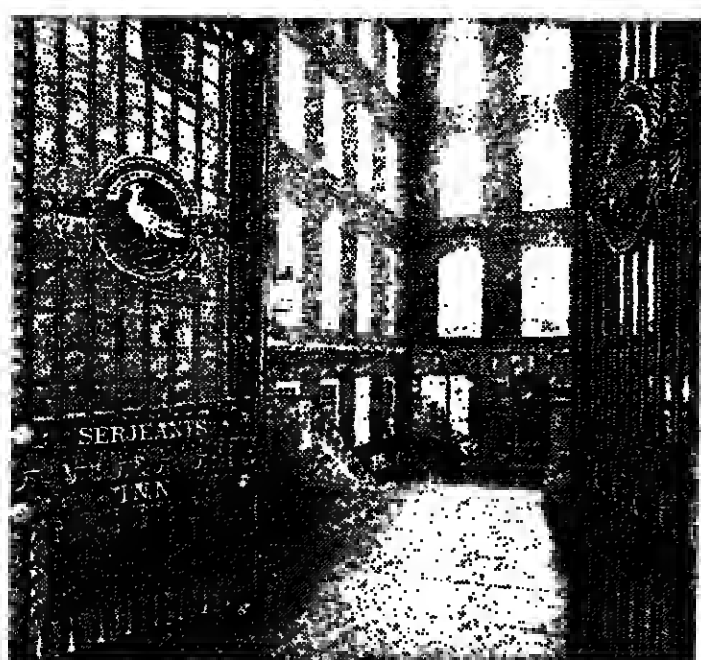
Tel:

FT17/82

olivetti
BUSINESS SYSTEMS

ACCOUNTANCY II

Moves to resolve public audit controversy



Welcome inn

The ornate gates of Serjeants' Inn, Fleet Street head office of Dearden Farrow, can prove to be your opening to a positive career in accounting.

We're a practice that's growing throughout Britain because we are responsive to the challenge of today and the need for new skills to meet it.

If you want to come in and grow with us drop a line to George Bunney, our Staff Partner.

Dearden Farrow
Chartered Accountants

1 Serjeants' Inn, London EC4Y 1JD. Telephone: 01-353 2000.
Offices throughout the UK and overseas.



INTERNATIONAL FINANCIAL EXECUTIVE SEARCH
EMF is a firm of search consultants specialising in Senior Accounting and Financial Management Appointments in the United Kingdom and Overseas. Although we do not offer any of our assignments, we currently have scheduled a number of search assignments over the next six to twelve months and would be interested to hear from individuals who may be considering a career move either now or in the near future.

For an informal discussion with one of our consultants please write, enclosing a detailed resume, to:

EMF International

Northumberland House, 309-306 High Holborn, London WC1V 7JZ
01-405 9581

PUBLIC expenditure this year will total about £115bn if Government plans are adhered to. Who should control that money and to whom should the spenders of it—central government, health and local authorities, public corporations and nationalised industries—be primarily accountable? This vexed question has been occupying the minds of the Government, MPs, auditors and commentators for years rather than months and there is still little sign of any general consensus.

In one sector at least there has been some definite movement in the last year. Mr Michael Heseltine, Environment Secretary, moved into legislation to fulfil an ambition he has nursed since he was a junior Minister in the early 1970s—the establishment of an Audit Commission to allocate auditors from both the public and private sectors to English and Welsh local authorities. This will remove the traditional right of councils to choose their own auditors.

The idea is enshrined in the Local Government Finance (No 2) Bill which is nearing the end of an exceptionally tortuous passage through Parliament. It has been withdrawn, rewritten, revised and amended almost beyond recognition in many places but the Audit Commission section has survived more or less intact.

But it has not been without controversy, with both the influential all-party Public Accounts Committee and the public and private sector accountants weighing in at various times with strong disapproval about some aspects.

The Commission will have an independent chairman appointed by the Environment Secretary and up to 13 members drawn from local government, accountancy firms and other relevant areas of

expertise. Local government will not gain a majority of members although the Government accepts that it will not be possible for the Audit Commission to function properly without the good will of local authorities.

The Commission will allocate auditors from both the Local Government District Audit Service and from an approved list of private sector accountants, the aim being to involve more private sector expertise in public sector auditing. At present only a handful of the more than 400 local authorities voluntarily use private sector auditors for their annual financial and value-for-money audits.

Assurances

However, major reservations about the Commission had to be removed to ensure its Parliamentary passage. First both public and private sector accountants institutions said the entire concept would be unacceptable if the Commission were to be directly answerable to and under the control of the Environment Secretary, as proposed. Both sides feared an apparent, if not actual, threat to the independence of audit which is the paramount prerequisite of both sides. The Government has fudged this issue consistently but has given enough assurances to satisfy at least the private sector for the time being that the direct line of accountability will be to the Comptroller and Auditor General and not to a politician.

A much more important dispute arose over the adoption of the Audit Commission idea at the expense of the Public Accounts Committee's desire for a National Audit Office. This idea was put up by the Committee under the chairmanship

of Mr Joel Barnett and backed by the equally influential chairman of the Treasury and Civil Service Select Committee, Mr Edward du Cann.

It would make all public expenditure directly accountable to Parliament through the PAC, although nobody has explained how the already seriously overburdened PAC could take on such an enormous extra task. The principle looked simple: Parliament had a right to examine the uses to which every penny of money voted by it was put. That meant direct access to the books and accounts through the Comptroller and Auditor General of all bodies in receipt of public money—central government, local authorities, the NHS, public corporations and nationalised industries.

But there were commercial and constitutional objections. Nationalised industries resisted strongly on the grounds that commercial confidentiality might be breached by public access to and control of accounts. Local authorities argued that their first line of accountability constitutionally is to the electorate and not to Parliament, a powerful argument which found support among such unlikely allies as the Confederation of British Industry.

Promises that the PAC had no intention of ever calling in an individual council's accounts or leaders of one council to "account" for their spending were met by a united wall of blank scepticism and disbelief.

Nevertheless, demands for increased accountability to Parliament persist and have attracted the support of 287 backbenchers who signed an early day motion led by Mr Barnett and Mr du Cann. They also have an amendment to the

Local Government Finance (No 2) Bill proposing that the Comptroller and Auditor General should be allowed access to all the books and records of the Audit Commission. Mr Heseltine is "sympathetic" although still looking for a way to prevent an individual council's records from being examined.

There is such a groundswell of support for Mr Barnett and Mr du Cann that the Government is resigned to having to find a compromise to this aspect of the problem. But Ministers are privately aghast; Mr Barnett has already conceded privately that this move is a "first foot in the door" towards the overall aim of making all public money accountable to Parliament. While many Ministers do not feel too strongly about letting the C and AG look at the Audit Commission's books, the next step would be PAC involvement in nationalised industry expenditure and financing which would undermine the principle of direct ministerial responsibility for nationalised industries.

Incompatible

Although both sides have argued consistently that an Audit Commission and a National Audit Office are incompatible, the Chartered Institute of Public Finance and Accountancy has said that the two could co-exist and be of mutual advantage if the National Office were to be established between the Commission and the Government.

Mr Noel Hepworth, Director of CIPFA, said the advantages would include—

● greater public confidence in public audit because the independence of auditors would be ensured by the constitu-

tional division between legislature and executive;

● reductions in audit manpower would not be made to occur because of a general need to cut civil service manpower;

● modern audit techniques could be introduced right across the public sector;

● common planning of use of audit resources would mean better use of audit expertise including a consistent approach to the use of private sector auditors across the whole of the public sector;

● Strengthening of central support services such as data banks and research facilities for auditors would greatly improve their efficiency;

● a better career structure for auditors could be developed which would attract more high-quality entrants. This should also encourage interchange between the national audit office staff and audit staff from the private sector and interchange between national audit staff, the civil service, local government and the health service.

Mr Hepworth's plans have not been accepted so far and Mr Heseltine in particular is set against a National Audit Office.

Mr Heseltine moved in advance of the establishment of the Audit Commission to involve the private sector in public sector accounts. He announced that private accountants would be nominated to each of the water authorities, which would lose their right to choose their auditors.

He also announced last year that 14 local councils representing all sizes and tiers would be forced to take a private audit firm, nominated by him, for their 1981-82 audit. The move

incensed most of the councils involved and three—Newham, Derby and Tower Hamlets—have taken out a writ challenging Mr Heseltine's right to be have in this way.

On other fronts there has been continuing progress during the last year towards common standards and principles of audit in the public and private sectors, with much of the old animosity and disclaim between the two sides giving way to constructive work on joint committees.

A number of statements of standard accounting practice (SSAPs) have been adopted by local authorities, sometimes in slightly modified form to cope with the different circumstances in the public sector. The Accounting Standards Sub-Committee (ASC) has set up a standing sub-committee on public sector accounting with support from the public sector.

Initially it will have two panels, one reporting on local government and the other on health. One of its first tasks will be to examine proposals to apply the existing accounting standards to health authority accounting. This is a major move away from the ASC's traditional preoccupation with the requirements and priorities of the private sector and marks a new aspect of the coming together of public and private sector accounting to audit.

There is still a long way to go and many practical and political difficulties remain. But at least the right mood appears to have been made or is being prepared for a constructive co-existence of the public and private sectors in public sector audit.

Robin Panley

Fresh challenge to current cost accounting

"INFLATION accounting is so important that if we shirk the responsibility for it, sooner or later others will take it on. No responsible self-regulating profession should contemplate the option of returning to the historical cost basis of reporting alone."

With these forthright words the Council of the Institute of Chartered Accountants in England and Wales has rejected the latest attack upon current cost accounting, as embodied in the accounting standard SSAP 16. The attack comes in the form of a resolution which is to be proposed at a special meeting of the English Institute on July 29.

Two accountants from a small Burgess Hill practice, Mr David Keymer and Mr Martin Haslam, have tabled the resolution which deplores SSAP 16 and calls for its immediate withdrawal.

In taking this controversial step the two accountants are seeking to repeat the success they scored five years ago when they mounted a similar attack on a previous form of current cost accounting, set out in the exposure draft ED 13.

On that occasion the Keymer-Haslam resolution called for the rejection of any compulsory system of current cost accounting. The resolution won a 54 per cent majority of those voting and threw a major spanner into the works of the standard-setting processes.

ED 13 has anyway been running into extensive opposition on the grounds of excessive complexity and of theoretical shortcomings, and although the resolution was not legally binding on the Accounting Standards Committee (ASC) it gave a clear indication that they had failed to carry the profession with them.

The ASC was forced to change its course. First it opted for the simple voluntary interim recommendations which became known as the Hyde Guidelines.

Then it entered into another lengthy period of preparation of a new current cost standard, which eventually was published in March 1980 as SSAP 16. Major concessions were made. The standard was much simpler than ED 13. Companies were only required to give current cost supplementary statements and could retain historical cost accounting as the basis of their primary financial statements. The standard only applied to listed companies and a few other large companies and trading entities, so that clients of small firms like those of Keymer Haslam and Co. were not affected.

Finally, it was promised that the standard would run for a period of just three years, during which it would not be changed. At the end of this experimental period a decision would be taken on future developments. A special monitoring sub-committee has been set up by the ASC and this body is now receiving the second batch of annual reports to comply with SSAP 16—the December 31 reports are mostly in but the March reporting companies have mostly still to publish.

Now, however, Messrs Keymer and Haslam are once more seeking to embarrass the profession's leaders and assert the views of the rank-and-file. Although SSAP 16 has little direct relevance to accountants in private practice, there are evidently still fears that its scope will be extended in future.

Seriously

The ASC is taking the new attack very seriously, even though the resolution is aimed at the English Institute, which is only one (though the largest) of the ASC's six parent bodies, and the vote would be in no way binding on the committee.

According to Mr Tom Watts, ASC Chairman, success for the opponents of CCA on July 29 "would very seriously undermine the whole principle of

setting standards for the private sector."

But it will be Mr Ian Hay Davidson, who takes over the ASC chair on July 1, who will have to cope with the consequences of any upset for the CCA standard. He rejects the notion of any premature changes. "We are in the middle of an experiment," he says. "We should stick to our three-year timetable."

Whatever the result of the vote at the end of next month the ASC will eventually have to face up to some tricky decisions on the future of current cost accounting. Although compliance with the standard by the 5,000-odd companies to which it applies has been quite good—probably about 85 per cent—the rumblings of opposition have persisted.

The big City merchant banks who are members of the Accounting Houses Committee have rejected it almost en bloc and P & O and Shell Transport are two of the big companies which have failed to comply fully this year. Attempts by the Stock Exchange last year to require half-yearly current cost information were rebuffed and only voluntary compliance at the interim reporting stage is now being sought.

The irony of the current cost accounting debate is that it was only because of Government intervention that the accountancy profession ever became involved with such a subjective and untried accounting method. The accountants originally preferred a simpler form of general price indexation known as the current purchasing power method, which was issued as a provisional accounting standard in May, 1974.

At that time, however, the Government and Whitehall in general were strongly opposed to any form of general price level accounting, which was seen as opening the way to indexation in other fields. The

Sandilands Committee in 1975 recommended current cost accounting, a form of specific price level accounting, which was seen in official circles as setting a much less dangerous precedent.

The accountancy profession agreed to put such a method into practice. But it meant grappling with a multiplicity of different indices and took the profession beyond what were then the frontiers of accounting theory. The problems of subjectivity and the integration of monetary and non-monetary items within financial statements have never been satisfactorily solved.

As the accountants laboured on their task official attitudes were changing. The tax system became largely indexed—a process which has recently become more complete with the partial indexation of capital gains tax, using the retail prices index.

Rejected

The Inland Revenue has effectively rejected the use of current cost accounting as the basis for corporation tax assessment. Early in 1971 it declared that SSAP 16 "would introduce an unacceptable degree of subjectivity into the calculation of tax." It opted for a single "all stocks" index in working out new stock relief proposals.

This year's broadly based Green Paper on the future of corporation tax expressed concern about current cost fixed asset valuations and suggested that SSAP 16's attitude to wind-

fall-dealing profits was "indefensible."

The outmanoeuvred accountants had discovered that whereas their earlier proposals were criticised for the use of a "general index," now their method was "indefensible" because the indices being chosen were too specific. The ASC has also been unfortunate in that the introduction of SSAP 16 has coincided with a collapse in company profits, especially in industry. Companies are scarcely going to thank the accountants for being forced to publish figures which show that "profits" are even worse than they might look on the traditional historical cost basis. There are also complaints about the cost of producing the figures and having them audited.

At least profits are now on a recovery tack. But the ASC faces some hard decisions, bearing in mind that having come this far down the inflation accounting road it cannot go back. The major challenges probably lie in two areas. First it will have to decide whether to stick with current cost accounting or return to something more akin to the current purchasing power method. Secondly, it will be seeking a way to avoid having, as at present, two sets of accounts.

Ian Hay Davidson does not, however, see this as being a technical accounting problem. "It is," he says, "a reporting problem for business, Government and the City."

Barry Riley

Our firm belief

Is that no stage in your career as an accountant is potentially more important than the period immediately following qualification.

The experience you build up over these next few years largely determines your progress in the future.

We can give you the breadth of professional work you now need—in auditing, taxation, investigation and insolvency—plus all the other benefits of working for a major international firm. We can also offer you the close, friendly environment that comes with working in our departmental system.

Apply our belief to your future.

For information on all offices write to:
William Tannett, 1 Puddle Dock, Blackfriars,
London EC4V 3PD.



Peat, Marwick, Mitchell & Co.

Recently Qualified Chartered Accountants

At Arthur Andersen & Co. we can offer recently qualified Chartered Accountants the chance to gain an in-depth knowledge of management consultancy which will form the basis of a long-term career with the firm.

We'll start by providing you with a comprehensive formal training programme, some of which is conducted in the USA, followed by on-the-job experience getting to know the business at grass roots level.

Planning, designing and implementing computerised management information systems in a stimulating and professionally exacting environment will demand a broad spectrum of highly developed skills on your part.

Excellent powers of communication, an objective approach to problem-solving and the ability to apply your practical talents to a wide range of challenging assignments, are but a few.

We'll help you get to the bottom of our business.

Then we'll help you get to the top.

Naturally, the rewards are excellent, with starting salaries up to £14,000 and opportunities for short projects overseas.

Once we've helped you get to the bottom of our business, we'll help you all the way to the top, with early responsibility and the prospect of partnership within 7 or 8 years.

If you're 28 or under and hold a UK university degree, please write or telephone for an application form or more details.

Paul Russell, Arthur Andersen & Co., 1 Surrey Street,
London WC2R 2PS. Tel: 01-836 1200.

ARTHUR
ANDERSEN
& CO

WHERE HAVE ALL THE PROFITS GONE?



Are you convinced that your apparent profits are your true profits?

Today:

* High inflation makes it ever more expensive to replace plant and finance debtors.

* The trend to automation means more capital borrowing at high interest.

* Up to 1/3 of apparent profits are needed simply to maintain stocks and fixed assets.

The result? Current cost profits often don't even cover yearly dividends.

PPL has the answer to many of these problems: the ACE Asset Control and Evaluation system. It gives concise management asset reporting, so that you are better informed—better able to improve your profitability.

To find out what PPL-AMS systems can do for your company, just write or phone for full details.

PPL

Package Programs Limited - Asset Management Systems

81 Blackfriars Road LONDON SE1 8HW Tel: 01-833 0121

ACCOUNTANCY III

Big firms no longer shy about their wares

IT IS not so long ago—maybe six years or so—since every large and medium-sized accounting firm in Britain wanted to boast about the fact that it was “international.” The most credible claims for such status appeared to come from what used to be known as the “Big Eight” firms of accountants—Arthur Andersen, Arthur Young, Coopers and Lybrand, Deloitte Haskins and Sells, Ernst and Whinney, Peat Marwick Mitchell, Price Waterhouse and Touche Ross. These great names were gradually joined by a few others, notably KMG and Binder Dijkster Otte (BDO). These latter two international firms differed in one important respect from the Big Eight, in that they were based on partnerships of often the largest accounting firms operating from a series of European countries.

Initially, groups such as KMG and BDO were dismissed by senior partners in the Big Eight as nothing more than loose formations of highly individualistic national firms. The implication was that the longer established international groups were in reality one international firm with the same standards of work and ethics in all countries where they happened to have offices.

Today such claims appear far less credible; indeed they are heard far less frequently.

The reason for this appears to lie in the fact that there is now little advantage to the big accounting firms in claiming to be “international.” If anything the label itself could have been damaging over the past few years of recession, when the only significant source of new business has been the small firm sector.

Tougher

Times have been much tougher for the big firms in the past three years than for a very long time. For many firms the volume of business has declined—or at best held still. This in turn has raised all sorts of new problems for both staffing and management. Professional staff turnover, normally very high, slowed down considerably and resistance from clients, particularly the corporate sector, to ever-increasing fees rose to exceptional levels.

In retrospect many of the larger firms look back to a somewhat critical report on audit fees published by the Hundred Group of leading accountants in industry/commerce as the turning point. “It

sent a shudder through every one of the major firms,” a senior partner recently volunteered.

Squeezed on both revenues and costs, the big firms have been forced to compete harder and harder for the available new business. One of the most promising areas has been the public sector, at both central and local government levels.

It was the intense level of competition for this government business, allied to some aggressive promotional campaigns, that led Kenneth Skirp, head of the Government Accountancy Service and a former President of the English Institute of Chartered Accountants, to write recently to 13 of the major firms protesting at the alleged “touting” that was going on. The significance of this affair has almost certainly been exaggerated.

After all, the Monopolies Commission has repeatedly called for the accountancy profession to drop restrictions on advertising and promotional activities. In any case, few of the firms involved appear to have been unduly concerned about Mr Skirp's rebuke.

The reality may be that the climate of professional practice has changed considerably since the early seventies when Ken Sharp last worked in profes-

sional practice. Today all the large accounting firms seek to promote themselves in a way that would have been unthinkable a decade ago.

This is because many of the partners in the firms have come to realise that the professional firms are businesses like any other. They need to be managed in some way not dissimilar to a company, and most revolutionary of all, they need to be marketed.

Partners in the big firms say it is not so long ago that the general view in the large firms was that it was up to clients to seek out the firm—on the basis of reputation, recommendation, or the old boy network. The process apparently worked for many years but those days are now gone.

Today every significant accounting firm has a practice development partner and an external public relations adviser. Some even admit to having marketing departments bearing titles like “practice development department.” Needless to say, this new orientation does not appeal to all members of the profession. Chartered accountants working in the big firms are often heard to complain that the British profession is becoming more and more like its counterpart in the U.S., at least at the big firm end. They argue that this is a

dangerous development and now and again there are indications that this line of thinking affects the choice of senior partners.

Another consequence of the increased business orientation within the big firms may well be partner satisfaction, especially among younger and better educated chartered accountants. To become a partner in a big accounting firm used to be seen as a great achievement, the crowning glory of a CA's career. This is less the case today as more and more young partners realise that in reality their position is not much different from that of employees. The ideal of the partnership, where all partners have a say in what goes on, is almost impossible to achieve in the major firms where the number of names on the letterhead can run into a couple of hundred.

Independence

Potentially the most dangerous aspect of the increased commercialism of the big accounting firms is the threat this poses to the practising chartered accountant's greatest asset—his independence. In the cut-and-thrust of professional practice today it is no secret that partners, and audit partners particularly, can become very close to their clients.

A distinguished chartered accountant who re-entered professional practice recently says he is surprised to find how closely many of the partners in his firm identify with the management of their clients.

This tendency towards identification with client management is sometimes revealed by the stance which particular firms or sections of the profession take in relation to the truth and fairness of the accounts of a particular company or even industry. One such example is the banking industry—where some major bank auditors have taken criticisms of their clients' accounts as almost personal attacks on themselves. This aspect is much more clear-cut in a number of Continental European countries where there have recently been examples of national professional bodies and several large accounting firms arguing that banks should be permitted to maintain secret reserves.

The master of independence is complex but the view that larger accounting firms are more likely to be independent of clients than smaller firms needs to be qualified. More often than not a partner in a large firm will have his own stable of clients and the loss of one of his larger audits might be just as damaging to such a partner as it might be to a four-partner firm in Burgess Hill.

Michael Lafferty

Editor, FT World Accounting
Report: editor and publisher
Retail Banker International

Young Accountants

Move into Consultancy

You are a graduate accountant (ACA/ACMA) seeking the opportunity to broaden your understanding of professional management skills through carefully monitored exposure to the consultancy field. Aged 23-29, you will have up to three years post-qualification experience. Enthusiasm and the flexibility to work effectively under pressure are also a prerequisite. Salary is negotiable to £14,000 with rapid performance based progress thereafter.

Our client is a major firm of Chartered Accountants located in central London but with offices worldwide. Due to expansion they would like to recruit several young accountants to strengthen the consultancy team. You will undertake assignments for a wide range of clients within the private and public sectors specialising in the areas of planning, designing and implementing computerised management information systems.

To apply, telephone or write to Mark Lockett at Mark Lockett Recruitment, 78 Wignore Street, London W1H 9DQ. (01-935 9011). Please quote reference 9007.

MLR

Mark Lockett Recruitment
in association with
John Courts and Partners

UNDERSTANDING FINANCE

The key to profitable management

A one-day workshop for accounting trainees,

managers, engineers and salesmen, explaining:

- ★ Key Accounting Terms
- ★ Cash Flow Forecasts
- ★ Balance Sheets
- ★ and many other
- ★ Profit Statements
- ★ Key Financial Concepts

London Metropole Hotel, Wed. 30 June or Thurs. 15 July
In-House—by arrangement, tailored to specific objectives.

PHONE 0273 500796

Valley House, 120 Valley Drive, Brighton BN1 5FF

“Nobody can say they don't learn—
even the most experienced”



Surveys by the profession have revealed a high percentage of firms using computers and other electronic aids. For larger applications, machines like the Olivetti ECS 3030 pictured above in use in a practice are popular

Small practices shoulder wider client demands

ACCOUNTANTS in small partnerships can often find that times of recession pose an awkward dilemma. Many of their clients are small businesses with which they have close and long-standing ties, often social as well as professional. When the going gets tough, such clients can look for advice and assistance beyond the scope of their accountant's usual services.

The accountant, like a family doctor beset by some minor epidemic, may well feel unable to resist the extra demands on his time—even though in such circumstances the assessment of appropriate charges can often be a delicate problem.

This can be more so since the small partnership member will have his own business problems to worry about. The difficulty of raising normal fees in line with inflation and the rising cost of office overheads can only be exacerbated by a rising tide of additional tasks inspired by the recession.

In many ways, however, the recession has only underlined an existing trend towards a broader role for the external accountant. “Generally speak-

ing, small-firm auditors have tended to be just auditors and little more,” says Mr David Allen, a vice-president of the Institute of Cost and Management Accountants. “What is happening increasingly is that auditors, big and small, are being asked to offer advice, pricing and investment analysis and such-like matters. Whether or not they can supply the goods is open to question.”

Moreover, management accounting advice is only one of a range of specialist demands confronting the small firm. Businessmen reluctant to engage the expensive services of one of the major firms—and hoping for a more personal service—often expect a single partner in a small firm to offer knowledge and experience which would come from several specialist accountants in one of the Big Eight.

Indeed the ability of the small firm to give a limited but all-round service is in many instances its main strength and several of the bigger firms point this out to prospective clients for whom the small firm looks more appropriate. “If the small firm plays the family doctor role,” says Mr Barry Baldwin, head of the special services group at Price Waterhouse, “the Big Eight display more the mentality of the teaching hospitals.”

There is at least one specialist area, though, where accountants in their own small practices can sometimes draw on the experience of their own office to help client businesses: namely computerisation. Businessmen considering expenditure on computer facilities have plenty of service companies within that industry they can call on for technical advice. But they may look to their local accountant, if he has worked for them over a period of years, for the comfort of a reassuring opinion about the proposed system—often someone who has followed and understood the growth of their business and its management needs.

Well placed

Accountants who have themselves adopted a computer system should be well-placed to discuss the move and a fast-growing number of small firms fit into this category.

Desk-top micro-computers commonly involve an outlay of around £4,000 with appropriate software support. Mini-computers range upwards from about £9,000, while full-size models with a total capacity four or five times as large generally start at about £20,000. Several suppliers, such as Str Computer Group or MGE Systems, now market a range of software which has been specifically designed for the needs of the accountancy profession.

Computers might be able to help with some aspects of the small firm's workload but the sheer volume of mundane compliance work continues to grow inexorably.

As accounting standards proliferate and tax requirements grow more complex every year, the small firm partner can find it difficult to set the time aside for what is usually the more interesting work involved in management accounting—let alone more esoteric areas. The volume of compliance work bearing on accountants is seen by some as a major factor behind the emergence of so many small business agencies of one sort or another. Onerous compliance work can hit at the traditional client relationships of family partnerships in other ways as well.

It can be hard to explain the need for tiresome and costly

enquiries when others appear ready to ignore them—as accountants charge the clearing banks with doing.

The temptation to follow suit is very strong. “Staff overheads are unreasonably high for a small firm which tries to keep up with all compliance standards,” as compared with another firm which might be more relaxed about “these things,” says Mr Drummond Abrams, a member of the ICA's Smaller Practitioners' Advisory Committee (SPAC). “And at the end of the day, the public won't know the difference.”

The threat posed to small firms by increasing competition from the banks seems bound to grow as the banks themselves have to rethink the deployment of their staff in the computer age.

Vigorously

Mr Andrew Jenner, head of the ICA's Practice Advisory Service (PAS), believes the threat might still be underestimated by many. “Not enough small firms are asking themselves vigorously who their customers should properly be—and what services those customers really want and need,” he says.

Confronted on this score, most small firm partners will not be short of a derisive word or two about the relative cost and efficiency of the banks' auditing services. Those who stop to think about the potential competition are confident it can be met. “But if they are not thinking about it,” as Andrew Jenner says, “they are very likely going to feel the pinch at some stage.”

The partners of troubled firms, whether pinched by competition from the banks or worries about other internal professional matters, can turn to Mr Jenner's PAS for help. It was set up as a management consultancy for smaller firms in 1980 and has had dealing with about 400 firms in the past 18 months.

Questions raised by inflation come high on the list of recurring problems. The continual adjustment of fees, for example, focuses attention on what a small firm's profitability should be. “A sole practitioner might normally be expected to earn very approximately half of his gross fee income,” says Jenner. “Quite a few that we see are earning rather less than that.”

Again, inflation means that old-established practices can suddenly find that the formulae providing for goodwill payments to retiring partners presents serious strain on their financial resources. The ICA service can give advice about alternative schemes or help with suggestions, for example, about how to sell or merge the practice.

Another source of guidance from the ICA is, of course, its direction on matters of accounting methodology—but many small firm partners admit they find the ICA has now grown to become an overly academic body in this context. “And its attitudes encourage too much early specialisation by our young graduates,” adds one senior partner.

The career paths chosen by those young graduates, finally, is another longer term source of concern. Offered three-year training programmes by the major City firms, far fewer of today's young entrants into the profession begin with a small firm training. This must have serious implications for the recruitment prospects of the small firm.

Duncan

Campbell-Smith

Young Accountant

Major Publishing Company

25/32

£11/£12,000

Our Client has international and diverse interests across the whole field of magazine publishing, directories and computerised information areas. They seek a recently qualified Accountant to perform an Internal Audit role at Head Office level. In addition, he/she could be involved in management accounts, consolidations, trouble shooting etc. Our Client's offices are in Central London but the job will include around six weeks travel per year to Australia, South Africa, Scandinavia etc.

They seek a 25/32 year old, ACA, ACMA, or ACCA who has experience of audit work and of computerised systems. The person appointed should be a practical individual who has worked either in a major audit practice or alternatively in a similar function with a major international company. The job is likely to lead to a time position in financial management to around two years' time.

Please write with full details of experience to Colin Barry at Overton Shirley and Barry, (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-583 1912.

Overton Shirley and Barry

OSB

We are very busy

We need qualified seniors and managers in many of our 60 offices.

Please write to Victor Tompkins
Thornton Baker
Fairfax House
Fulwood Place
London WC1V 6DW

Consultative Committee of Accountancy Bodies

Secretary Parliamentary & Law

London

Around £20,000

The Technical Directorate of the Institute of Chartered Accountants in England and Wales wishes to fill one of the most senior positions amongst its 20 qualified staff. This vacancy arises as the result of a recent by-election.

The successful candidate will head a small team, which includes legal and tax specialists, servicing both the Consultative Committee of Accountancy Bodies and the Institute. The work is mainly aimed at representing the profession's viewpoint on technical matters to Government and other organisations and at seeking to ensure that relevant legislation and regulations are practical and reasonable. In the last year, for example, some 130 submissions were made on a wide range of topics affecting the profession.

The role demands sound technical knowledge, clarity of thought and presentation and the ability to manage people and projects against a background of tight deadlines. It will involve frequent contacts with senior civil servants, Members of Parliament, leading City institutions and other professions. Success in this environment will, therefore, provide scope for career development either in the Institute itself, in public practice or academic life.

Applicants (male or female) must be professionally qualified, preferably graduates and aged early/mid 30's. Experience in a major professional firm would be an advantage but breadth of experience and outlook are equally important. Ref. 1238/F.T.

Apply to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel. 01-493 0156.

Phillips & Carpenter

Selection Consultants

U.K. FINANCIAL CONTROLLER

INTERNATIONAL PHARMACEUTICALS
£13,000

For the U.K. operation of a multi-million dollar international organisation with diverse interests in high technology medical care products. Candidates aged 25-30 will be qualified accountants with some commercial experience ideally within a multi-national environment and able to display the strength of character necessary to motivate staff and ensure the prompt production of accounts and management information. Career prospects are excellent for commercially minded candidates with ability and flair.

For further information please call Alex Steele in complete confidence as adviser to the client.

58-60 Houndsditch,
London EC3A 7DL
Tel: 01-621 0456
Telex: 893439 GRADAP

accountancy appointments
A Division of Graduate Appointments Ltd.

CHIEF ACCOUNTANT London c£17,500+Car

Our client, the UK pioneer of the new technology of "Interactive Video", is a recently-launched subsidiary of a major public company. A rapid development programme both at home and overseas is planned.

The company intends to appoint a Chief Accountant, fully responsible for the management of the financial function, including the development and introduction of all the financial and management accounting procedures and systems. He/she will be expected to contribute significantly to the successful development of the business. Promotion to Financial Director will follow after two years satisfactory performance.

The successful candidate will be a Chartered Accountant, 28 to 38, currently working in a fast-moving growth business, possibly electronics or data processing, with a good appreciation of international markets. He/she will have a record of achievement in designing and operating accounting and control procedures, in corporate planning and in securing high administrative efficiency.

Necessary attributes include a strong personality, high intelligence, flexibility of mind, vitality, resilience and high ability in oral and written communication. An interest in programmed learning and computer-based technology is desirable. An initial salary in the region of £17,500 is envisaged, dependent on experience and achievements, plus company car and other attractive fringe benefits.

Applications with full career details and other relevant information should be sent to the company's advisers, address below, who will conduct the initial interviews.



John Lloyd & Partners Limited
Management Consultants
60 St. James's Street London SW1A 1LE
(01-493 5554)

"It's understanding that counts....."

Our philosophy and the title of our recruitment brochure. Douglas Fussell, our Staff Partner, will be happy to send you one. Your career can be our future.

Moore, Stephens & Co.,
Chartered Accountants,
St. Paul's House, Warwick Lane, London EC4P 4BN.

THE ACCOUNTANTS GUIDE TO RECRUITMENT CONSULTANTS

ACCOUNTANCY APPOINTMENTS
58-60 Houndsditch
London EC3
01-621 0456

ACCOUNTANCY OVERLOAD
225 Regent Street
London W1
01-734 0811

ACCOUNTANCY PERSONNEL
63-65 Moorgate
London EC2R 6BH
01-538 2955

With over 20 branches, the largest specialist accountancy recruitment agency for permanent and temporary staff.

ACCOUNTANCY RECRUITMENT
Kent House
87 Regent Street
London W1
01-437 1844

We provide a personal service to Accountants at all levels.

ACCOUNTANCY TASK FORCE LTD.
5 Broad Street Place
London EC2M 7AN
01-493 7201

Permanent and Temporary Recruitment Specialists (home and overseas). Also offices in Reading, Birmingham and Aberdeen.

ADCOCK BIRKIN
337-308 High Holborn
London WC1V 7LL
01-493 9855

AGA RECRUITMENT LTD.
173 Blenheim Street
London W1K 3QG
01-246 9851

Specialists in Managerial/Financial/Computer recruitment.

BANKING & ACCOUNTANCY PERSONNEL SELECTION
Lloyds Avenue House
6 Lloyds Avenue
London EC2N 3ES
01-481 8111

DUNLOP & BADENOCH LIMITED
Accountancy Recruitment Consultants
London
01-272 21041

BRISTOL
25-27 St. Stephens Street
Tel: 01-233 3544
Telex: 865287

ALMINGTON
20 Waterloo Street
Tel: 021-443 2576

MANCHESTER
551 Royal Exchange
Tel: 061-832 8708

LEADS
4 Middle House Otley Road
Tel: 0532-742618

Temporary and permanent Accountants, Insurance and Secretarial staff.

EXTRE RECRUITMENT
Heath House
4 Riverside Street
London EC4
01-553 5272 (Marion Williams)

FINANCIAL & PROFESSIONAL SELECTION
Specialists in Senior Management, Accountancy and Executive Recruitment
58/60 Houndsditch,
London EC3A 7DL
Tel: 01-621 0456

PERSONNEL RESOURCES LIMITED
Augusta House
Old Bailey
London EC4
01-548 5231

Countrywide specialists in industrial and commercial appointments.

PORTMAN RECRUITMENT SERVICES
Hillside Building
London W1R 2LX
01-438 4381

Banking and Accountancy Specialists.

ROBERT ASSOCIATES (STAFF CONSULTANTS) LTD.
35 Over Street
London W1K 3JA
01-538 2218

TONY RILEY & ASSOCIATES
Duke House, 37 Duke Street
London W1M 50F
01-493 7701

JONATHAN WHEN BANKING APPOINTMENTS
170 Bishopsgate
London EC2M 4CX
01-623 1286

Outstanding opportunities exist for Accountants, clerical, merchant and international banking.

ZARAK HAY ASSOCIATES
6 Broad Street Place
London EC2
01-493 7201

Banking, Financial and Accountancy Recruitment. Permanent and temporary staff at all levels for United Kingdom and overseas appointments.

PETER NIGHTINGALE ASSOCIATES LTD.
(O.E.B. Hughes)
18 Regency Street
London W1P 4QQ
01-621 5543

INVENTION SHIRLEY & BARRY
26 Holborn Viaduct
London EC1
01-531 1864

Specialist Consultancy in the area of investment, stockbroking and merchant banking.

ACCOUNTANCY IV

Internationally and at home the profession is under pressure to change structure and attitudes

Mexico congress a forum for world debate

OVER THE past decade the accounting profession has come under increasing pressure to demonstrate that it has an important role to play in the international business community. Much of this pressure has been self-generated as accountants started to notice a twofold threat to their position of influence.

On the one hand the 1970s saw a rapid expansion in the number of groups prepared to offer financial advice and other services to the accountants' clients—with bankers, lawyers and management specialists leading the competition. On the other, international political agencies such as the United Nations and the OECD and a variety of pressure groups demonstrated a growing interest

in the reporting practices of multi-national corporations. This interest has centred particularly on the quality and extent of the information disclosed by the companies, including that in their annual reports.

Setting rules for financial reporting is not an area that the accounting profession has ever claimed exclusively as its own. Although influential in many countries, accountants have had to sit on the sidelines in others such as Japan, Germany and France, watching governments exercise political control over corporate reporting. Having seen the problems that can occur and the non-sense that can result, the profession is now determined to prevent a similar outcome on a global basis.

Ten years ago this determination gave birth to the International Accounting Standards Committee (IASC). Since then the IASC has kept up a steady trickle of pronouncements in an attempt not only to standardise the criteria for measuring corporate performance but also to prescribe the detailed disclosure requirements for companies and other entities that are economically significant in the countries where they operate.

Critics of the committee say that it lacks teeth. International accounting standards are not mandatory in their adoption and enforcement is entirely a matter for the professional bodies that are IASC

members, which themselves have no power outside their own accounting memberships.

The profession has taken this criticism to heart and has responded with a three-pronged campaign to assert a more positive and powerful presence—first by attempting to curry favour with the international political agencies with claims of unique expertise and objectivity; secondly by seeking the open support of the larger companies (which might be expected to share a common interest in avoiding outside political interference); and thirdly by seeking to serve not just accountants but also the entire community of people who use or rely on corporate disclosures for a variety of different reasons.

Impressed

The IASC, though not representing all aspects of the profession, has had some moderate success in achieving each of these aims. Formal lines of communication have been established with the UN and the OECD. The UN in particular seems quite impressed with the level of co-operation afforded by the accountants.

In meeting up the support of the companies themselves the IASC has less to show for its efforts. So far only Canadian companies have shown themselves willing in any large numbers to make specific reference to compliance with IASC standards. The Italians are

likely to follow suit next year in compliance with Consob's new requirements. Pressure from the IASC is continuing but there are signs that some of its members are lukewarm towards the campaign pending further rationalisation of the various international professional bodies.

In expanding the community which it seeks to serve the IASC is only now beginning to make progress. Last year it formed a consultative group drawn from a broad range of user organisations. Although lacking real power, the group's role is to react to the IASC's proposals from the users' perspective and to provide suggestions for further areas of regulation.

At the same time the IASC has refused to accept full integration with the mainstream professional body, the International Federation of Accountants, in order to preserve an image of independence. Instead, the two bodies have entered into what they call "mutual commitments" which establish limited financial links, respect for each other's work and which ultimately will give the IFAC power to control appointments to the IASC board.

Attention is now being directed to sorting out the proliferation of other regional and international bodies. In Europe, for example, the Union des Experts Comptables (UEC) looks after the profession's auditing and educational interests in that area, while another body, the Groupe

d'Etudes, specialises more in the accounting implications of EEC legislation. Both organisations run the risk of duplicating the efforts of the world-wide bodies and a variety of other groups have been formed in other continents. The need to establish effective lines of communication between all of these is now being seen as a priority.

Against this backdrop the profession is gearing up for a major international congress in Mexico this October. Held every five years, these congresses are intended to provide a forum for debating the direction to be taken by the profession, both technically and politically. Although past congresses have been criticised for their light weight content, this year's gathering is acquiring an unusually important air in view of the profession's identity crisis.

Privately

Most of the real work at such conventions is not done in plenary sessions but privately in the informal talks between leading lights from the multi-national corporations and the international audit firms. Smaller organisations cannot in the main afford to spare the manpower or lack the interest to attend. The most powerful lobby is drawn from the larger audit firms and the so-called "Big Nine" in particular.

Partners from these firms will have a lot of common ground to discuss. The past five years have been a period of rapid change. Many of the firms have experienced dramatic expansion in a state of national mergers. At the same time their major clients, the multi-nationals, have suffered in the recession and have applied pressure for reduced audit fees. Other developments include a much greater exposure to

litigation, not only in the U.S. but also in Canada, the UK and Australia. Adverse settlements are beginning to either directly through cross-border actions or indirectly through the knock-on effects of a tarnished image.

These risks have in turn forced the firms to re-examine their own internal structures and to spend large sums on training to achieve uniform standards. It is no surprise then to find them supporting the international professional organisations in search for a common approach. What has astonished observers is the limited extent of this support. It is still proving difficult to persuade members in individual firms to put aside short-term concerns in favour of greater emphasis on macroscopic issues that affect the firms as a whole.

One area in which this lack of enthusiasm has given rise to extensive criticism is in raising the standards of auditing. This task is currently the responsibility of the IFAC, supplemented by various regional bodies. Progress is viewed as ponderous, with a limited range of official statements that do nothing to advance the state of the art but merely pass on messages to the developing countries. Critics are keen to see a major push in this area during the 1980s but claim that the resources currently made available by the larger companies and firms are wholly inadequate.

All interested eyes will be turned towards Mexico City to see what changes the profession is prepared to make to its structure and plans. The period of complacency may be coming to an end.

Peter Mantle

Hard times seem no spur to closer harmony

LAST SPRING'S attempts to gather support for proposals to merge two of Britain's larger accountancy professional bodies appear to have come to nothing.

Mr Alan Brooks, director of capital spending at the National Coal Board, tabled resolutions for the merger of the Association of Chartered Accountants and the Institute of Cost and Management Accountants (ICMA), of both of which organisations he is a member.

But support turned out to be only patchy. Association members voted in favour, but ICMA came out strongly against. One reason is that although many accountants would like to see greater unity within the profession, there is a feeling that an Association-ICMA union would be the wrong kind of merger. It would risk further polarising the profession according to status, without solving the functional anomalies which at present characterise British accountancy.

Priorities

The basic problem is how to reconcile the interests of the auditing side of the profession with the rather different priorities of the majority of Britain's 120,000-odd qualified accountants who earn their living in industry and commerce (both in the private and public sectors).

Accountants in professional firms—and especially those in the Big Eight—have long dominated the largest and most prestigious UK accountancy body, the Institute of Chartered Accountants in England and Wales. Yet even here the auditors are numerically very much in the minority.

Out of 56,500 ICA members who are professionally active in the UK, only about 18,500 hold practising certificates and can audit accounts. The remaining 38,000 are mostly to be found in industry and commerce,

although some are employed in professional practices on non-auditing work such as tax advice.

So it would be more logical that the members of ICMA—which is a specialist body, with some 90 per cent of its 16,000 UK members employed in industry and commerce—should seek to forge stronger links with the chartered accountants in industry than to combine with the more diversified Association.

For their part, the chartered accountants, who enjoy greater status, have never shown noticeable keenness to join in any restructuring of the profession—undesirable and inconvenient though it is that there should be as many as five separate UK bodies. These include the Scottish Institute and the public finance Institute CIPFA.

Within the English Institute, however, the balance of power has been shifting. Industrial accountants have begun to reach the presidential chair more frequently—Mr. Eric Sayers of Dupont was president in 1978-79 and Mr. David Cornie of Reed International is in line to assume the post in a year's time.

About five years ago groups of prominent finance directors began to be formed, initially spurred by the inflation accounting debate but later turning their attentions to a wider range of issues. The Hundred Group of Chartered Accountants is based in London, and there is also a Midland Group. North of the border a similar group has been formed within the Scottish Institute.

The Hundred Group has produced reports on such subjects as the level of audit fees, the financing of nationalised industries and the problems caused by high interest rates. Behind the scenes its members have been involved in such matters as the discussions on the restructuring of the Accounting Standards Committee.

More formally, within the English Institute there has been set up an Industrial Members Committee, which reflects the views of those numerous members of the English Institute who would like to see the influence of the big professional firms reduced.

Training

A key area in which the differing priorities of the industrial chartered accountants are obvious is that of training. All chartered accountants train and qualify within one of the professional firms, although a large proportion of them have no intention of practising as auditors and leave as soon as they are able to put the letters ACA after their names.

There has been a long and inconclusive debate within the ICA on the unsatisfactory aspects of this arrangement, which it can be argued places an undue burden upon the professional firms. At the same time it means that the training of industrial chartered accountants does not concentrate upon the skills they will eventually require.

The Institute's recent major review of education and training policies has come to the conclusion that the question of training in industry must be looked at again and there is due to be a debate in Council next December.

Various possibilities are to be considered, including for instance the secondment of indus-

trial trainees in professional firms for limited periods. However, the numbers would probably only be quite small in the context of an overall annual intake of 3,000 or so new members.

Only about 50 large companies have so far proved keen to provide training facilities, and would be capable of doing so—though another 50 have shown some interest. The number of students each year might be in the range of 200 to 400.

The relative scarcity of adequate facilities within companies is a reminder that at least industry has been relieved of an overhead under the present training system. But industrial chartered accountants could argue that industry and commerce eventually pays the bill anyway in the form of fees so companies might as well pay directly for a training system which they would then have much greater control over.

Meanwhile the professional firms continue to place great emphasis on the quality of their intake and the efficiency of their training programmes—despite recurring concern about the high failure rate in the ICA's examinations.

Experience

The major effort is undertaken by the big firms, which accept that most of their trainees will leave for jobs in industry or in the flourishing small firm sector where training is almost non-existent. This leaves out of account, however, the medium-sized firms which also in many cases take training seriously and argue that gaining experience through work with smaller clients rather than being tied down for several months on large company audits can give a young accountant a broader experience of all the skills that he will require.

Accountants have become used to the annual "Milk Run" round the universities where the bulk of the recruitment is done. A big firm like Peat Marwick Mitchell has been taking on about 400 recruits every year. Just a handful might eventually become partners.

This year, however, the shadow of the recession is hanging over the recruitment process and indeed over the whole accountancy profession. The numbers of recruits are being trimmed back, especially in the provinces, and the number of applicants have soared.

Not only is the weakness of business causing the firms to cut back—the lack of opportunities within the profession means that fewer trained people are leaving. It appears that the London offices of the big firms have not yet suffered the same chill as the regional offices, so that the London firms are still recruiting but elsewhere the picture is often bleak.

Already the trickle of new members of the ICA is tailing away and this trend can be expected to continue over the next few years as the effect of lower recruitment shows through. The long boom in the employment prospects for accountants in the UK at last appears to be over.

But there seems little reason to think that a harsher economic climate will make Britain's accountants any keener to settle their differences and develop a more rational structure for the profession.

Barry Riley

Chief Accountant

London c.£13,500

This is an important new appointment, within a profitable expanding and well established trading company with a turnover of £5m, which specialises in the supply of internal building products for use in offices.

Reporting to the Managing Director, key tasks will include:-

- * Production of half yearly and annual accounts.
- * Preparation of management accounts and statistics.
- * Introduction of computerised systems.
- * Review and implementation of comprehensive management information systems for business control.

The appointment will appeal to male/female chartered accountants with experience in the building industry and some in-depth experience of management accounting. Contact with company policies, pension administration, credit control and liaison with both parent company and auditors will be required. Please write with adequate particulars in confidence to Peter T. Williamson



Spicer & Pegler Management Consultants
St Mary Axe House, 55-60 St Mary Axe
London EC3A 8BJ

MANAGEMENT ACCOUNTANT

CENTRAL LONDON

This is an interesting new position at senior level with one of Britain's leading publishing companies. The post calls for an enthusiastic recently qualified accountant looking to develop his/her career in a stimulating environment.

The successful candidate will join a small divisional finance team working closely with publishing and marketing management in the development of several key areas of the company's business both at home and overseas. He/she will be expected to make a significant contribution to the development of finance and management information systems with specific responsibilities for appraising and reporting on divisional performance.

An attractive salary package commensurate with experience will be provided.

Replies should be forwarded with C.V. to:
Box A7881, Financial Times
10 Cannon Street, London, EC4P 4BY

TAX CONSULTANT

c. £20,000
Progressive CAs — Aldwych, will consider enquiries for independent work with established portfolio.

TRUST ACCOUNTANT

c. £12,000
Major CAs — City, require supervisory experience for complex UK and overseas work.

PA to PARTNER

c. £9,000
Expanding CAs — Oxford, will provide training and partnership prospects for new recruit ACA.

For these and other opportunities, please call: RICHARD BUCHANAN

ZARAK HAY ACCOUNTANCY & EXECUTIVE RECRUITMENT
6 BROAD STREET PLACE, LONDON, EC2 1 - TEL: 01-493 9205

SYSTEMS TRAINEES

c. £13,000
Consultancy arm of leading CAs — Holborn, offer first class training programme to graduate ACAs.

NEW AGAS

£9,000 +
Substantial CAs — Holborn, have attractive opening in large and small audit (computerised).

ACCA FINALIST

c. £9,000
Adventurous group — Marylebone, seek experienced qualified for accounts and consolidation.

For these and other opportunities, please call: RICHARD BUCHANAN

TECHNOLOGY

Tour operators' computer links

BY ELAINE WILLIAMS

TWO MAJOR schemes allowing UK travel agents to link directly into holiday tour operators' computerised booking systems have been launched this week.

Yesterday Thomson Holidays, Britain's largest tour company, unveiled its TOP system which is based on the viewdata technology developed for British Telecom's Prestel information system. It will be available in the autumn.

Meanwhile a second system, called Modulus, has been announced by the Association of British Travel Agents (ABTA), which will allow all the major tour operators hotel, hire car and airline booking systems including Thomson's system.

ABTA has spent £250,000 adapting a system developed by Caltrav, a subsidiary of Calladine and Baldry, Canada's largest tour operator.

ABTA hopes that its system will be of benefit to the smaller travel agents which represent 2,000 of the 4,500 travel agents in the UK. ABTA members are already major users of Prestel to obtain up-to-date information about last-minute cut price holiday bargains, air traffic strikes, and country regulations which might affect travel.

Mr Colin Palmer, Thomson's commercial director, believes that the speed of the direct computer booking and the amount of extra information will help win the extra sales which mean the difference between a tour operator's profit or loss. A tour company has to sell around 80 per cent of its holiday packages before it starts to make a profit.

Thomson's move to direct booking is prompted by the fact that 95 per cent of its £200m UK business is through travel agents. It carries over 1m passengers a year and has 20 per cent of the UK market.

The system will also help to make Thomson more efficient by increasing staff productivity and helping the company to cope with booking peaks. For example as much as 10 per cent of the 700,000-seat summer programme can be booked on the first day the brochure is released causing major switchboard jams at Thomson's headquarters.

Direct computer booking systems will benefit the customer too, because confirmation of a booking can be made within minutes instead of days through the post.

In addition, the Thomson system can automatically suggest alternative holidays, call up extra information such as car hire and insurance and show the customer the full price before he books his holiday.

Until the advent of viewdata systems—which link low cost computer terminals via the telephone line to large computers—it was not considered economic to provide travel agents with direct booking facilities.

Travel agents can use any terminal or television set which has a Prestel facility. This will enable them to link into both the ABTA and Thomson systems via the telephone line. There are already several suitable products on the market which can be bought or hired through rental companies such as Visionhire or Telefusion.

Plessey leaps in the office with Ibis

PLESSEY, the UK electronics giant, this week announced its major products for the "electronic office".

Later last year it made clear its intention to tackle the electronic office market with products based around its capability in telecommunications switching.

Now it has launched a series of products with the generic title Ibis—the Integrated Business Information System.

Key components are the digital exchange—the exact analogue of the conventional office private automatic branch exchange, but handling information as binary digits—and the "dataplug".

This latter device is the Plessey approach to providing information services in the office on tap like electricity or water.

It is a box about 13 ins long with the capacity to attach any non Plessey terminal with an industry standard (V24/RS232) into Plessey's office network.

The logic behind Dataplug is that it will give customers the flexibility to build networks of their own while protecting investments already made in other manufacturers' equipment.

It is widely acknowledged that the problem experienced in hooking together different makes of equipment is one of the chief barriers to automated office development.

The Plessey offering includes, in addition to the digital exchange and the Dataplug a range of workstations including word processors and viewdata devices, application software packages for a variety of office activities and intelligent "Gateway" facilities.

This means that a customer using Plessey's office system can retrieve information from a computer database which is not part of the customer's local network—assuming, of course, that access has previously been agreed.

Plessey is now only one of a host of companies offering office automation systems, but it is one of the very few with a system based on the telephone exchange.

Others include Rolm (on whose technology the Plessey system is based) and Northern Telecom both of the U.S.

Geoffrey Charlish looks behind the security screen at Patscentre

Warning word for management

A depressed building industry had hit sales of MK Electric's mains distribution products generally, so Patscentre was consulted and the answer was 'Response' a system that allows control and monitoring signals to be transmitted over existing mains wiring



Bob Crichton of Patscentre with the controller for the "Response" system

executives must try harder to think laterally and to carefully consider the future.

For example, it is vital, he asserts, to perceive what point the company's technology has reached on the so-called S-curve, in which a new technology starts relatively slowly, enjoys a growth period and then flattens off as it comes to the end of its natural life.

While going up the "good times" growth part of the curve, says Edge, many managements fail to plan for the jump to the next, new S-curve and so suddenly find themselves caught out by new technology invoked by new companies.

Others, he believes, are threatened by non-traditional and unconventional competition. For example, it is often assumed that transportation must be energy intensive. But vehicles with magnetic levitation moving to partially evacuated tunnels would consume very little.

Competition can come from unexpected places, as the Swiss watch industry found to its cost. It is an important matter, says Edge, emphasised in a recent interview with "Inside R & D," the U.S. newsletter, management must identify the companies which, through an alternative technology, might be able to introduce a discontinuity into the way in which

a product or process works. Then, it might be able to stay in the market which at the moment it considers its own. Sometimes, a company is casting around for new products with the short-term objective of boosting a temporarily depressed market for its present ones.

DO YOU NEED A MICROPROCESSOR PRODUCT DESIGNED?

If so, contact Richard Bence on Reading (0734) 584604. Candela Instruments Ltd., 5 Loverock Road, Battle Farm Industrial Estate, Reading.

Cancer detection method

A NEW method for detecting cancerous cells has been developed at the Alchi Prefecture Cancer Centre in Japan.

Mr Akio Matsukage, who discovered the technique, is cautiously optimistic that it could eventually lead to earlier detection of the disease.

The technique which is to be announced at a Japanese Cancer Association symposium on Friday, is based on the fact that a certain enzyme—DNA polymerase—present in high quantities in cancerous cells.

Mr Matsukage uses special antibodies to react with the

enzyme to help scientists determine which cells are growing more rapidly simply by looking through a microscope.

By combining a fluorescent dye with the antibodies, Mr Matsukage found that he was able to make reproducing cells fluoresce when exposed to green light.

To date, he has used this technique to show that DNA polymerase in its alpha form—which is the enzyme involved in cell division and reproduction—is far more plentiful in cancerous cells than normal ones.

Accountancy Appointments

ACCOUNTANCY APPOINTMENTS ARE CONTINUED ON FOLLOWING PAGES

FINANCIAL CONTROLLER

We are a small dynamic and expanding plc with financial and industrial interests who seek a qualified person keen to make a positive contribution within a slim dedicated HQ team.

Responsible to the Chairman and Chief Executive, the position calls for strong emphasis on finance/management accounting, cash flow and controls, and will include secretarial matters. Business experience is essential.

Applicants, ideally in their 30s, should be within three-quarters of an hour travel of West End. Remuneration negotiable.

Apply with full details, in confidence, to:

Box A.7873, Financial Times
10 Cannon Street, London EC4P 4BY

QUALIFIED ACCOUNTANTS

CARIBBEAN c. £20,000

LONDON c. £14,000

This well-known firm of Chartered Accountants urgently require qualified accountants to join their expanding audit team. Promotional prospects are good, and benefits for the successful applicants, preferably without children, will be generous, as will salaries which range up to £20,000 (Ref: 49627).

Telephone 01-481 8111 for an initial confidential discussion.

BANKING & ACCOUNTANCY PERSONNEL SELECTION
111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 1455, 1457, 1459, 1461, 1463, 1465, 1467, 1469, 1471, 1473, 1475, 1477, 1479, 1481, 1483, 1485, 1487, 1489, 1491, 1493, 1495, 1497, 1499, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, 1533, 1535, 1537, 1539, 1541, 1543, 1545, 1547, 1549, 1551, 1553, 1555, 1557, 1559, 1561, 1563, 1565, 1567, 1569, 1571, 1573, 1575, 1577, 1579, 1581, 1583, 1585, 1587, 1589, 1591, 1593, 1595, 1597, 1599, 1601, 1603, 1605, 1607, 1609, 1611, 1613, 1615, 1617, 1619, 1621, 1623, 1625, 1627, 1629, 1631, 1633, 1635, 1637, 1639, 1641, 1643, 1645, 1647, 1649, 1651, 1653, 1655, 1657, 1659, 1661, 1663, 1665, 1667, 1669, 1671, 1673, 1675, 1677, 1679, 1681, 1683, 1685, 1687, 1689, 1691, 1693, 1695, 1697, 1699, 1701, 1703, 1705, 1707, 1709, 1711, 1713, 1715, 1717, 1719, 1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747, 1749, 1751, 1753, 1755, 1757, 1759, 1761, 1763, 1765, 1767, 1769, 1771, 1773, 1775, 1777, 1779, 1781, 1783, 1785, 1787, 1789, 1791, 1793, 1795, 1797, 1799, 1801, 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819, 1821, 1823, 1825, 1827, 1829, 1831, 1833, 1835, 1837, 1839, 1841, 1843, 1845, 1847, 1849, 1851, 1853, 1855, 1857, 1859, 1861, 1863, 1865, 1867, 1869, 1871, 1873, 1875, 1877, 1879, 1881, 1883, 1885, 1887, 1889, 1891, 1893, 1895, 1897, 1899, 1901, 1903, 1905, 1907, 1909, 1911, 1913, 1915, 1917, 1919, 1921, 1923, 1925, 1927, 1929, 1931, 1933, 1935, 1937, 1939, 1941, 1943, 1945, 1947, 1949, 1951, 1953, 1955, 1957, 1959, 1961, 1963, 1965, 1967, 1969, 1971, 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047, 2049, 2051, 2053, 2055, 2057, 2059, 2061, 2063, 2065, 2067, 2069, 2071, 2073, 2075, 2077, 2079, 2081, 2083, 2085, 2087, 2089, 2091, 2093, 2095, 2097, 2099, 2101, 2103, 2105, 2107, 2109, 2111, 2113, 2115, 2117, 2119, 2121, 2123, 2125, 2127, 2129, 2131, 2133, 2135, 2137, 2139, 2141, 2143, 2145, 2147, 2149, 2151, 2153, 2155, 2157, 2159, 2161, 2163, 2165, 2167, 2169, 2171, 2173, 2175, 2177, 2179, 2181, 2183, 2185, 2187, 2189, 2191, 2193, 2195, 2197, 2199, 2201, 2203, 2205, 2207, 2209, 2211, 2213, 2215, 2217, 2219, 2221, 2223, 2225, 2227, 2229, 2231, 2233, 2235, 2237, 2239, 2241, 2243, 2245, 2247, 2249, 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265, 2267, 2269, 2271, 2273, 2275, 2277, 2279, 2281, 2283, 2285, 2287, 2289, 2291, 2293, 2295, 2297, 2299, 2301, 2303, 2305, 2307, 2309, 2311, 2313, 2315, 2317, 2319, 2321, 2323, 2325, 2327, 2329, 2331, 2333, 2335, 2337, 2339, 2341, 2343, 2345, 2347, 2349, 2351, 2353, 2355, 2357, 2359, 2361, 2363, 2365, 2367, 2369, 2371, 2373, 2375, 2377, 2379, 2381, 2383, 2385, 2387, 2389, 2391, 2393, 2395, 2397, 2399, 2401, 2403, 2405, 2407, 2409, 2411, 2413, 2415, 2417, 2419, 2421, 2423, 2425, 2427, 2429, 2431, 2433, 2435, 2437, 2439, 2441, 2443, 2445, 2447, 2449, 2451, 2453, 2455, 2457, 2459, 2461, 2463, 2465, 2467, 2469, 2471, 2473, 2475, 2477, 2479, 2481, 2483, 2485, 2487, 2489, 2491, 2493, 2495, 2497, 2499, 2501, 2503, 2505, 2507, 2509, 2511, 2513, 2515, 2517, 2519, 2521, 2523, 2525, 2527, 2529, 2531, 2533, 2535, 2537, 2539, 2541, 2543, 2545, 2547, 2549, 2551, 2553, 2555, 2557, 2559, 2561, 2563, 2565, 2567, 2569, 2571, 2573, 2575, 2577, 2579, 2581, 2583, 2585, 2587, 2589, 2591, 2593, 2595, 2597, 2599, 2601, 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2631, 2633, 2635, 2637, 2639, 2641, 2643, 2645, 2647, 2649, 2651, 2653, 2655, 2657, 2659, 2661, 2663, 2665, 2667, 2669, 2671, 2673, 2675, 2677, 2679, 2681, 2683, 2685, 2687, 2689, 2691, 2693, 2695, 2697, 2699, 2701, 2703, 2705, 2707, 2709, 2711, 2713, 2715, 2717, 2719, 2721, 2723, 2725, 2727, 2729, 2731, 2733, 2735, 2737, 2739, 2741, 2743, 2745, 2747, 2749, 2751, 2753, 2755, 2757, 2759, 2761, 2763, 2765, 2767, 2769, 2771, 2773, 2775, 2777, 2779, 2781, 2783, 2785, 2787, 2789, 2791, 2793, 2795, 2797, 2799, 2801, 2803, 2805, 2807, 2809, 2811, 2813, 2815, 2817, 2819, 2821, 2823, 2825, 2827, 2829, 2831, 2833, 2835, 2837, 2839, 2841, 2843, 2845, 2847, 2849, 2851, 2853, 2855, 2857, 2859, 2861, 2863, 2865, 2867, 2869, 2871, 2873, 2875, 2877, 2879, 2881, 2883, 2885, 2887, 2889, 2891, 2893, 2895, 2897, 2899, 2901, 2903, 2905, 2907, 2909, 2911, 2913, 2915, 2917, 2919, 2921, 2923, 2925, 2927, 2929, 2931, 2933, 2935, 2937, 2939, 2941, 2943, 2945, 2947, 2949, 2951, 2953, 2955, 2957, 2959, 2961, 2963, 2965, 2967, 2969, 2971, 2973, 2975, 2977, 2979, 2981, 2983, 2985, 2987, 2989, 2991, 2993, 2995, 2997, 2999, 3001, 3003,

Accountancy Appointments

Financial Director

Scotland c£25,000 + participation

For one of the UK's most profitable public companies, with a very successful growth record and strong potential for the future. Turnover is more than £150m.

You will report to the Group Chairman and be supported by a small head office team. There are functional links to financial staff in the subsidiaries, which will involve some overseas travel.

You should be a qualified accountant, probably over 40, with experience at or near board level in an international manufacturing company. Experience of cash management and foreign exchange will be particularly helpful.

Benefits include share options and a profit related bonus which could add significantly to base salary. The position is based in a most attractive area, within easy reach of the major cities.

Write in confidence to EH Simpson, quoting ref. S060, at 10 Boln Court, London EC4 (telephone 01 583 3911).

**Chetwynd
Streets**

Management Selection Limited

Project Accountants

Far East London c.£17,000 + Benefits

Our Client is a major International Construction Group with a large number of current contracts both in the U.K. and overseas. Continuing growth and an expanding contract workload has created the need for two Senior Accountants, one to be based in London, the other in the Far East.

Aged in the late thirties to mid forties, successful applicants must be qualified accountants who have had considerable overseas construction accounting experience, ideally gained in a commercially orientated environment rather than a routine management contract operation. An in-depth knowledge of contracts, procurement funding and overseas tax subtleties is essential as is the strength of personality to withstand pressure from many directions. The personal stature to gain the respect and confidence of non-accountants is also important.

These are permanent career appointments and carry an excellent range of benefits. The overseas post can be on a married or single status basis and appropriate additional overseas allowances will apply.

Applications, which will be treated in strict confidence, should be made in writing to: I. M. G. O'Hare, Managing Director, Mann Management, 124 New Bond Street, LONDON W1.

**MANN
MANAGEMENT**

General Business Management MANAGEMENT ACCOUNTANT

Surrey c.£15,000 and car

A major British Corporation is setting up a new subsidiary to create a series of businesses which will be oriented towards consumer goods and services.

The Managing Director of this new company is seeking a Management Accountant, preferably ACA/ACMA, with a proven track record in general business management, to assist him in:

- setting up arrangements with sub-contracting organisations
- devising and implementing information and control systems
- liaison with outside consultants
- evaluating potential acquisitions and

carrying out subsequent negotiations. Applicants should be in the 27-35 age range. Salary about £15,000 p.a. Benefits include car, pension scheme and BUPA. Relocation expenses where appropriate.

Please reply to us quoting 1365/FT on both envelope and letter. Men and women are invited to reply. Letters will be forwarded unopened to our Client. If there are any companies to which you do not wish your application to be sent, please indicate this in a separate letter addressed to the Security Officer.

urwick Urwick Group Advertising Ltd
Baylis House, Stoke Poges Lane, Slough SL1 3PF

GROUP ACCOUNTING MANAGER EUROPEAN OPERATIONS

S.W. London £15,000

Our client is a highly respected U.K. public group whose growth and profits record is exceptional. It operates through a large number of profit-responsible subsidiaries in the U.K. and overseas.

As a result of expansion and reorganisation it seeks an accountant to manage the central accounting department of the European region with emphasis being placed on the ability and skill to ensure the timely presentation of accounts, reports, plans, forecasts and other management information.

Applicants aged 30 or over, must be qualified and should demonstrate excellent statutory accounting experience alongside the ability to supervise and motivate 14 staff. The company offer excellent conditions of service and the opportunity to progress within an expanding environment.

Applicants should submit full career details quoting ref. 832 to Nigel Hopkins F.C.A. at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Senior Tax Adviser

London SW1 over £20,000 plus car

BAT Industries p.l.c. is one of Britain's largest companies with an annual turnover in excess of £9000 million. Its worldwide operations encompass such diverse activities as tobacco, paper, retailing, packaging, printing, cosmetics and home improvements.

The size and diversity of the organisation is reflected in the importance attached to the tax function. The Adviser will join a small management team at Group Headquarters which, in addition to its responsibility for estimating and agreeing taxation liabilities, also advises the board on all corporate tax matters, including complex international planning issues against social, political and economic change. After one or two years the adviser may have the opportunity to take responsibility as Taxation Manager of one of the organisation's largest operating subsidiary groups. The successful applicant is likely to be an accountant having at least 5 years' relevant experience at a senior level.

Please forward a brief personal synopsis including current salary to: Richard Dubock, Personnel Manager, BAT Industries p.l.c., P.O. Box 345, Windsor House, Victoria Street, London SW1H 0NL. Tel: 01-222 7979, ext. 2044.

BAT INDUSTRIES

Challenging technical role at the centre of a large, complex industrial group...

GROUP CHIEF ACCOUNTANT

London Circa £15,000 p.a. + car & benefits

Our client is a large, vertically integrated British group of companies, manufacturing and marketing a broad range of essential products for both industry and the consumer.

This appointment, based at group head office, encompasses responsibility for all group performance reporting as well as involvement in the budgeting and forecasting process and head office accounting. The complexity of the group will ensure a stimulating technical role, combined with broad contact at head office and operating company level.

Applications are invited from qualified accountants aged in their late 20's to mid 30's who have particularly well-developed technical accounting skills. A background within a large group, at head office or divisional level, is preferred, although candidates from a large public practice environment with relevant big company audit experience will be given full consideration.

Written applications containing career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc. at our London address quoting reference number 3688.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
28 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

**DOUGLAS
LLAMBLAS**
Douglas Llamblas Associates Limited
Accountancy & Management
Recruitment Consultants



GENERAL ACCOUNTS for an Accounting General

5 figure Salary Gwent

In one of the world's most competitive markets, Mitel has proved to be a leader in the design and manufacture of sophisticated telecommunications systems. Our products, notably the microprocessor-based SUPERSWITCH® PBX family, stand unsurpassed in terms of quality, flexibility, reliability and cost-efficiency.

We have invested several million pounds in a new European Headquarters, nearing completion just outside Chepstow in Gwent - for a major drive on U.K., European and other overseas markets. We now need a Manager (General Accounts) whose main function will be to control a department responsible for maintaining all the Company's records, as well as producing periodic financial reports for Management, Government and Statutory requirements.

Additional duties will be to ensure satisfactory conversion to the integrated manufacturing and financial computer system; reviewing and enhancing internal procedures; and assisting in budgets, forecasts and financial plans.

Ideally aged between 25-35, the man or woman we seek must be able to prove a minimum of three years' practical post-qualification experience, preferably in a similar high technology environment. Knowledge of computerised accounting, in a conversion situation and involving foreign receivables is highly desirable.

As the Company grows rapidly, so will the exceptional career prospects of this position in this important department. A very attractive remuneration package will be offered, including relocation assistance where appropriate.

Please write with full career details and present salary to Mr. D. Morgan, Recruitment Manager, Mitel Telecom Ltd., Pontefract, Newport, Gwent, NP6 4YR.



Hoggett Bowers

Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Chartered Accountant

International Project Management
Cleveland, c.£13,500

This growth company manages very large design, engineering and construction projects overseas and is part of a major listed group which is recognised as a world leader in engineering contracting. Responsibility is to the Director - Finance for the management of the project accounting function which provides comprehensive management information and financial guidance to project management and maintains systems to provide close accounting control of contracts. It is a dynamic, sharp end, managerial role with a potentially significant influence upon contract profitability. The requirement is for a well qualified accountant who can quickly develop commercial awareness of project management and financial control having already demonstrated capability in the supervision of a sophisticated management accounting function at operating company level in manufacturing or contracting. Age envisaged is around 30 with prospects for the high calibre candidate not confined to the UK nor to the finance area.

G.T. Walker, Ref: 42402/FT. Male or female candidates should telephone in confidence for a Personal History Form 0632-327455, 4 Mosley Street, NEWCASTLE-UPON-TYNE, NE1 1DE.

ACCOUNTANT CITY

We have a vacancy for a qualified Accountant as an Assistant Manager in our Finance Department.

The department provides a range of financial services to the Lloyd's Insurance Market including the administration of overseas trust funds, a terms of credit scheme between Underwriters and Brokers, central accounting of premiums and claims within the Market and a Money Market facility.

The successful candidate, who will probably be in the age range 28-40, with considerable post-qualification experience, will have particular responsibility for certain functions and will also be involved on special assignments and projects.

The position is regarded as challenging and is an ideal development opportunity which could lead to increased management responsibilities in the short term.

An attractive commencing salary is offered. Fringe benefits include: car, annual bonus and non-contributory pension scheme.

Applications giving brief details of career, including salary to: H. F. Hughes, Personnel Manager, CORPORATION OF LLOYD'S, London House, 6 London Street, London EC3R 7AB.

LLOYD'S OF LONDON

ACCOUNTANCY APPOINTMENTS

APPEAR
EVERY
THURSDAY

RATE £29
Per Single Column
Centimetre

INTERNATIONAL ACCOUNTANT EUROPEAN MANAGEMENT REPORTING

For a London-based management accounting firm acting for a range of American and European clients in the provision of management reporting services encompassing periodic investigations, budgeting, forecasting, cash flow monitoring, auditing etc. on both regular and assignment bases. Prospective candidates, aged 25-30, preferably qualified chartered accountants, will be capable of working alone for periods overseas, display high levels of competence, tact, and diplomacy, and have at least a second European language. Career prospects are first class for individuals with the personality and strength of character to develop in a challenging environment. Salary negotiable.

For further information please call Alex Steele in complete confidence as adviser to the client.

58-60 Houndsditch,
London EC3A 7DL
Tel: 01-621 0466
Telex: 893439 GRADAP

**accountancy
appointments**
A Division of Graham Appointments Ltd

FINANCIAL CONTROLLER

HUGIN c.£12,000 p.a. + car, bonus + substantial benefits

Hugin, as part of the Electrolux Group, is a progressive Company and the market leader in its field. Diversification is leading the Company into other computer-related areas and a period of rapid expansion is planned.

An energetic qualified financial controller is required to replace an outgoing finance director and who will report to the managing director and will work closely with the sales and service directors and their senior managers.

Responsibilities include 10 staff, fully computerised management system, company secretarial and general administration, monthly reporting, periodic forecasts and annual budgets.

Applications are invited from young financial managers who are prepared to take on responsibilities outside the traditional area of accounting. Ability rather than qualifications are sought.

Apply with career details to:

Miss Norman, Hugin Cash Registers Limited
Hugin House, 18/30 Clerkenwell Road
London EC1M 5NN

Accountancy Appointments
also appear within
the Accountancy Survey
in this Issue

Accountancy Appointments

QUALIFIED ACCOUNTANT

Property Management

£12,000 — £15,000

Our Middle-Eastern client owns properties in Europe. The number of properties is increasing to the point at which centralised management, cost-control and reporting discipline is needed. Candidates:

- ★ Must be qualified ACAs or ACMAs.
- ★ Must be willing and able to travel abroad for several weeks at short notice.
- ★ Must have commercial acumen.

Property management experience is an advantage but not vital. A working knowledge of French and/or Spanish would be a major advantage. Age range is around 30 and location is Central London. Salary is negotiable.

Please forward a full curriculum vitae, in confidence, to:—

Terry Fuller
CHARTERHOUSE RECRUITMENT LIMITED
55 Charterhouse Street, London EC1M 6HD
Tel: 01-253 0433

QUALIFIED ACCOUNTANT

£15,000 + Car + Mortgage

MAJOR FRENCH INSURANCE COMPANY

Our clients, a major French Insurance Company, require a qualified accountant to manage the Accounts Department of their busy London Office which handles Non-Marine, Marine and Treaty business.

The successful applicant should have good experience not only of insurance company accounting, but also in managing modern and computerised office systems, and an ability to communicate in French. There is a first class opportunity for career advancement.

Write giving details of career to:
Anthony Blake, Neville Russell, 30 Artillery Lane
LONDON E1 7LT

ACCOUNTANCY RECRUITMENT.

Temporary/Permanent Staff Placements.

CHIEF ACCOUNTANT

c. £11,500

Required by fast growing service company located west of London. Candidates should preferably be newly qualified with management potential to work closely with the financial director. Responsibility will include monthly accounting requirements and staff control. Ref. PM/161

ACCOUNTANT/COMPANY SECRETARY

c. £11,000

A chartered accountant aged around thirties with commercial awareness is required by a successful publishing company located in Central London to work as part of a management team and also to take charge of the company secretary requirements. Career prospects are excellent. Ref. AT/171

For further details write or phone to:

Accountancy Recruitment
Kent House, 87 Regent St., London W1R 7HF
Tel: 01-437 1844

FINANCE EXECUTIVE

based in Central London to look after its financial and banking interests.

Selected candidate may be aged between 26-34 and a qualified Chartered Accountant with at least four years' experience in all aspects of commercial banking gained in a large international bank. The present job could be a stepping stone to wider development in a forward-looking organisation.

Salary and perquisites are negotiable. Please write in confidence to:—

MAKERS DEVELOPMENT SERVICES PVT. LTD.
16, Castleacres, Hyde Park Crescent
London, W2

MANAGEMENT ACCOUNTANT

CENTRAL LONDON

This is an interesting new position at senior level with one of Britain's leading publishing companies. The post calls for an enthusiastic, recently qualified accountant looking to develop his/her career in a stimulating environment.

The successful candidate will join a small divisional finance team working closely with publishing and marketing management in the development of several key areas of the company's business both at home and overseas. He/she will be expected to make a significant contribution to the development of finance and management information systems with specific responsibilities for analysing and reporting on divisional performance. An attractive salary package commensurate with experience will be provided.

Replies should be forwarded with C.V. to:

Box A7881, Financial Times, 10 Cannon Street, London, EC4A 3DF.

SCOPE

EXECUTIVE

CORPORATE REVIEW

REDHILL, SURREY

to £11,000 + Car

Owing to continued growth and expansion our client, a diverse British group, turnover £40m plus, has been carrying out a steady decentralisation of its finance function. This has now reached a stage where they wish to set up an operational audit function. Reporting to the Group Financial Accountant, major responsibilities will include organising an audit programme to ensure regular review of divisional operating statements and balance sheets, systems audit and modification as necessary and full documentation of group and subsidiary procedures. In addition the successful candidate will become involved in half-yearly and annual reviews with senior group management. Although diverse, the company's divisions are closely grouped geographically, therefore, travel involving overnight stays will be very low, perhaps with occasional trips to the Caribbean and the USA. The ideal candidate will be a qualified accountant aged 25-40 either from a professional firm or from the audit department of an industrial or commercial concern with some experience of computer auditing techniques.

For further details please write to or preferably telephone:—

PAUL MOONEY
01-402 7162

10a London Mews, London Street, London W2. 01-402 7162

SCOPE

EXECUTIVE

Senior Finance Executives

Having successfully accomplished a remarkable turnaround in its operations with a strong return to profitability, BPCC is now seeking to recruit several outstanding financial executives to play an active part in the continuing expansion of its operations involving sustained high quality profit growth.

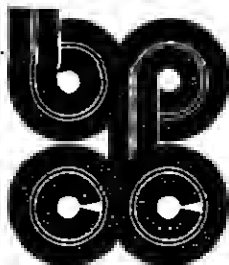
Accordingly, we wish to hear from ambitious, able, well qualified accountants who can satisfy the demanding standards which successful candidates will be able to meet.

The necessary qualities required will include:

- Several years experience at a senior level within industry, preferably but not necessarily in printing or packaging;
- A well developed commercial aptitude and sound business sense;
- Extensive experience in job costing, preparation of budgets, management accounts and statutory accounts together with cash flow forecasting and control;
- Sound experience in the introduction and development of computer installations for accounting and allied uses;
- The ability to maintain tight control on operations by internal control systems, and over capital employed;
- The capacity to work under sustained pressure and ability to motivate others accordingly.

Successful applicants will be rewarded with an attractive salary and benefit package that befits the qualities required of them.

Candidates who are confident they can satisfy the above requirements — and if you have doubts you almost certainly cannot — should send a full C.V. to Peter Bouch, Personnel Controller,



The British Printing & Communication Corporation Plc

Headington Hill Hall
Oxford OX3 0BW.

FINANCIAL CONTROLLER

Midlands

Salary c. £20 - £25,000

Our Client is a highly successful and fast expanding Investment Services Group based in an extremely pleasant but convenient Midlands location.

Future growth plans both in the UK and Internationally mean that an energetic and ambitious accountant is required to spearhead the financial development of the Group. Candidates should be qualified Chartered Accountants who have gained the skills necessary to put complex and sophisticated financial plans into operation and are used to controlling all the usual accounting functions.

Experience of the implementation and operation of computerised accounting systems is essential as is the knowledge of both legal and taxation aspects of accounting combined with an up to the minute knowledge of all relevant legislation.

As the group is involved in many aspects of the financial world, candidates who have familiarity with companies involved in Commodities, Futures trading, Options, Foreign Exchange or Financial Futures, the Stock Market, or a good overall knowledge of the Investment Marketplace will be at a distinct advantage. This by no means precludes people who feel they have other relevant experience.

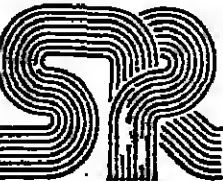
It is therefore likely that someone with a background in a service industry such as banking, insurance or other financially based organisations would have the necessary background experience for this appointment. We would also be pleased to hear from people in International Accountancy Practices who having gained the expertise required would now like to return to play an important part in developing an organisation.

The preferred age is mid 30's and as both the company's profit record and reputation are excellent this opportunity offers tremendous scope for future career development.

The financial package will not be a barrier to the right person.

Suitably qualified candidates should write with full CV to the Group's Advisor, Malcolm Silver at Silver & Robb Associates, Orient House, 42 - 45 New Broad Street, London EC2M 1QY.

All applications will be acknowledged and treated in the strictest confidence.



SILVER & ROBB ASSOCIATES
Management, Selection & Training Consultants

Chief Accountant (Financial Sector)

City

c.£22,000 + house loan + car

A prestigious British financial institution is reorganising its headquarters' accounting function to cater for the growth it is enjoying and its continued expansion plans.

A chief accountant is required to organise and oversee the production of accounts and relevant information, handle its tax affairs (in liaison with advisers) and provide financial and taxation advice to management. There is a subordinate staff of over 30.

Suitable candidates, male or female, must be chartered accountants. They must have proven management experience and thorough familiarity with accounting for financial institutions gained at management level in that sector or in an international professional firm.

Send a detailed C.V. (with salary progression) or write for an application form, quoting reference 34101L, to M. J. H. Convey, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.



Peat, Marwick, Mitchell & Co
Executive Selection Division

CHIEF ACCOUNTANT

to £14,000 + Car + Profit Share.

East Midlands

Age 30-40

Our client is a highly successful member of a major British group whose achievements in a competitive market have resulted in the need for a qualified accountant to join their senior management team.

Reporting to the Managing Director this new position offers the opportunity to take full control of the finance function including the review and development of computerised systems, forward planning and the commercial interpretation of financial information. As management reports are designed to contribute significantly to the company's growth and profitability, the successful candidate will be expected to work to tight and inflexible deadlines.

Applicants should demonstrate the following skills and abilities:

- ★ A formal accounting qualification
- ★ Several years industrial/commercial experience
- ★ The ability to communicate at board level
- ★ Ambition, creativity and resilience.

Interested applicants should write to Terry Benson at Michael Page Partnership, 24, Bennetts Hill, Birmingham B2 5QP or telephone 021-643-6255 for an application form.



Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Financial Analysts Europe

Our Client, one of Europe's most technically innovative multi-nationals, has several requirements for exceptional individuals at its European Head Office.

Reporting to a Senior Finance Manager and liaising with top levels of management within the operating units, the positions carry an unusually wide brief. In addition to a broad spectrum of financial data analysis, activities will cover the identification and resolution of developing financial problem areas and the assessment of investment proposals and opportunities.

Aged between 28-35 candidates should possess the following:-

- ★ Mature, positive and robust personality.
- ★ Complete fluency in English and desirably another language.
- ★ Professional Qualification or MBA.
- ★ Excellent communicative skills.

These positions offer candidates with considerable potential, the opportunity for rapid advancement. A highly competitive international compensation package is offered.

Contact: Adrian Thorley
in strict confidence.

Ferguson Thorley Bowles
Associates Limited

International Personnel Consultants
15 Clarence Street, Staines, Middlesex TW18 4SU
Telephone: Staines (0784) 59247 Telex: 884148

MANAGEMENT ACCOUNTANT —

HASTINGS

c.£11,000 + car

Relocation expenses

Collins and Hayes Limited, a privately owned manufacturer of upholstered furniture, is strengthening its management team to cope with the company's continuing expansion programme.

The successful applicant, who will have had several years industrial experience as a qualified accountant, will control a small efficient finance department and will be responsible for D.P. operations. A major first task will be the installation of a product costing system to cope with the increasing complexity of the company's manufacturing methods.

The management accountant will report to the Finance Director and will be expected to make presentations at Board level.

A generous remuneration package is offered and, where appropriate, full relocation expenses will be reimbursed.

Applications, in writing, together with a C.V., should be sent to Finance Director, Collins and Hayes Limited, Pnnswood, Hastings, Sussex, TN34 1XF.



Collins and Hayes

JOBS COLUMN

Kill or cure problem for headhunting trade

BY MICHAEL DIXON

THE HIRED GUNMAN seems to be a favoured self-image among American recruiters who fill jobs, not by advertising, but by the individual approach methods of executive search. "The rule in the States," one told me not long ago, "is that clients hand over a description of the man they want, and you go get him."

The self-image preferred by recruiters of the same sort in the United Kingdom is different. It is more that of the family doctor who when clients feel a pain in their human organisation, is called in to diagnose the trouble and select the cure.

Given the choice of being pursued by Dr Finlay or by John Wesley Hardie, readers who are job-candidates would doubtless also prefer the UK image. But it was not upheld by a meeting of nearly 50 recruitment consultants in London the other day. The object of the gathering, organised by Bob and Jacqueline Baird who publish the Executive Grapevine directory of headhunters, was to discuss the idea of a new trade association for recruiters in Britain.

To their credit the people who attended made no pretence of all belonging to a recruitment profession comparable with medicine. They were refreshingly open about the divisions between their various interests.

One division which is widely appreciated is that some consultants work exclusively by executive-search technique, others recruit only by advertising the jobs they are asked to handle, and a third lot use both methods. But there is a further split which is less well known.

On one of its aides stood retained consultants who require a fee before they will begin looking for a recruit on behalf of an employer. So only a part of their fee income depends on their finding a suitable person.

Secretive

On the other side of the gap are the so-called contingency recruiters. They do not require a fee before putting forward candidates to employers, being paid only if they introduce the person who eventually gets the job. And they are not the least of the reasons why retained consultants tend to be secretive about their clients even when the organisation concerned has no objection to being named.

For on hearing that a recruit is wanted by an identifiable employer, contingency operators are seldom if ever deterred by the fact that someone else has already been assigned to fill the vacancy. They just rush in with their own lists of candidates and if one of them is picked, deprive the originally assigned

consultancy of the balance of its fee.

While such interventions probably go unknown to most candidates and arguably work to the advantage of employers, they certainly get up the noses of retained consultants. The result is that they look on the contingency elements of their trade with a somewhat sharper disapproval than as far as this column can see—surgeons feel for general practitioners or nurses feel for either.

What's more, several speakers explicitly exposed the absurdity of the preferred UK image. The recruitment trade lacks anything even faintly resembling the body of established knowledge which guides the judgment of the doctor. And it was argued that it would be arrogant and ineffectual snobbery to pretend that what recruiters do for their living is dignified enough to be governed by a code of professional ethics.

A typical comment was: "In real terms our position is that we are paid by employers to get the results they want. The only measure of quality that is important to us is that we stay in business and the clients come back to us for more. High ethics, as such, play little part in the process."

The same of course might have been said no less truly, had there been time, at a certain previous meeting at the OK

Corral. Even so, the hired gun image does not fit recruiters either.

For one thing the gunman's job is simply to create vacancies whereas the recruiter, as I understand it, is expected to be rather more positive in approach.

For another, although the conference brought together retained consultants and contingency specialists, most of whom were meeting one another for the very first time, no fighting broke out. It was clear that the bulk of them enjoyed meeting—indeed, a decision to organise get-togethers about four times a year in future seemed to be the only definite outcome of the event.

'Poachers'

Nor do I think that the alternative self-image of "poachers," suggested by one speaker to a sharp intake of breath from everyone else, is an accurate reflection of the trade. It is true that the bulk of recruitment consultancy is to fish good managers and specialists out of their present organisations to go to work for the consultant's client. But except in West Germany, that is not in itself an illegal activity.

The only trouble is that the Government of this or any other country, especially in Europe, could easily come

under pressure to ban executive search, at least.

There can be no denying that recruitment by individual approach has increased its share of the market particularly quickly since the outlawing of inappropriate discrimination by race or sex. The connection may well be only incidental, and I certainly have no substantial evidence that executive search has been used in secret service of an employer's illegal prejudices. But the important point is that it plainly could be and accordingly is an open target for pressure-group campaigning.

It surely would not take much of a clamour to make the public sector and nationalised industries, which are considerable users of search consultants, shy away from them. In that case, major private-sector companies sensitive about their image of social responsibility would seem likely to follow suit.

Besides, the growth of search activity has been such—Bob Baird estimates that there are at least 400 recruitment consultancies of various kinds operating in the UK with a combined turnover of £100m plus—that much more of it might well provoke the united protest of major employers tired of having key staff hired elsewhere.

So unlike the majority of the 40-odd recruiters at the con-

ference, I feel that there is good reason for consultants who use search methods and are mindful of their longer-term interests in this country to associate in drawing up and publicising their subscription to a self-regulatory code.

Minimum

It need not pretend to Hippocratic dignity and should not be hypocritical either in suggesting that recruiters associated with it could enforce the rules on others. But it could lay down a minimum period during which an employing concern which used a subscribing consultancy would be free from any approach to its employees by the same consultancy and possibly by any of the headhunting staff who worked for the consultancy at the time.

Still more important would be a self-imposed ban on the acceptance of any recruiting assignment where the criteria for selection laid down by the employer were anything less than patently lawful. Ideally, I would like to see such a code go even further and include a pledge that subscribing consultants would prevail on employers not to discriminate even legally by attributes—such as age or academic gradings—which are not clearly necessary for success in the work concerned.

Business Planner

London Attractive salary+car

Cope Allman International is an industrial holding company with a turnover of just under £200M and interests in the packaging, leisure, engineering and fashion industries. We are seeking to appoint a Business Planner who will report to the Group Business Planner as part of a small professional team based in the Group Head Office. This team provides the major input to the development and implementation of Group strategy.

The responsibilities of the Business Planner will be to undertake strategic projects relating to: companies, major capital expenditure proposals, acquisitions and disposals and to assist in the preparation of the Group 3 Year Plan.

Candidates, who will probably be aged around 30 will have a positive and progressive track record including significant experience in strategic marketing or planning. They must be educated to first degree level and should ideally have an MBA or equivalent qualification.

In addition to salary, the benefits package for this position includes a car, BUPA and Permanent Health Medical Insurance.

If you believe that you have the energy and enthusiasm to contribute effectively in this results orientated environment please write enclosing a full CV to:-

David Garth, Group Management Development Manager, Cope Allman International PLC, 27 Hill Street, London W1.

 COPE ALLMAN INTERNATIONAL PLC

Citicorp Development Capital

Senior Investment Manager

High Technology

Citicorp Development Capital, a subsidiary of one of the world's largest banks, was established in London in 1980 to make development and venture capital investments in small/medium sized UK companies, following very successful venture capital activities in the USA which started in 1968. Several investments have been made in the UK.

A Senior Investment Manager is required to work in a small team with the General Manager in seeking and identifying investment opportunities, evaluating the proposals, negotiating deals, and actively monitoring investments through board membership of client companies. He/she will concentrate on high technology companies, including those related to information technology, scientific and medical instrumentation and automated manufacturing.

Candidates must be graduates and/or MBAs, and be able to demonstrate excellence in their careers to date ideally within technical sales or marketing roles. Broad commercial sense, entrepreneurial zeal, financial skills and the maturity to work with companies at top level are essential qualities.

Preferred age, late twenties to early thirties. An attractive remuneration package to be negotiated, including excellent benefits.

Please write, giving ref: 1281, to Ian Odgers who is advising on this appointment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St,
London W1X 8TD 01-499 8811

Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management consultants have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

MINSTER EXECUTIVE LTD. 26 Bolton Street, London W1T 5BB. Tel: 01-493 1390/1395

Underwriter

London Non-Marine Market

£30,000+pa. profit commission and car

An established and respected reinsurance company with major international links, requires an additional underwriter to supervise all day-to-day operations of the non-marine underwriting department and also to participate in the development of underwriting strategies.

Our Client's existing underwriter wishes to delegate these responsibilities in order to allow more time for developing new business as well as the general development of corporate underwriting policy.

This is an opportunity which rarely occurs and requires an experienced person with a strong London reinsurance market underwriting background to assume major responsibilities for the running and expansion of a substantial portfolio of business.

The successful candidate is likely to be in the age range 32-40 and will already be in a position with significant responsibility and wide London market contacts, but ready for a greater challenge.

Salary and compensation package will depend on the successful applicant's experience and market stature but, as an indicator, is unlikely to be less than £30,000 p.a. plus profit commission. Pension arrangements and other benefits will be consistent with the seniority of the appointment.

Write, in confidence, with full personal and career details, indicating the names of any company to which your application should not be forwarded, to: T. G. West, Managing Director (Ref 177).

Whites

Whites Recruitment Limited, 72 Fleet Street, London EC4Y 1US
Offices: Aberdeen, Bristol, Leeds, London, Manchester and Wolverhampton.

Commercial Lawyer

YORK

We seek an assistant solicitor to join the small team of commercial lawyers in the Secretarial and Legal Department of our Group Headquarters in York.

We are looking for someone who already has good experience in general practice and now wishes to develop and broaden it in a business setting. The main responsibility will be for property matters and for providing a wide range of advice on many of the Group's activities in the UK.

This appointment calls for a man or woman who has had at least three years' post qualification experience and has the ability to work closely with colleagues in the Department and throughout the business.

Salary and conditions will reflect previous experience. York combines an equable climate, reasonably priced houses and good schools, with easy access to other major centres and to coast and countryside.

Please apply, quoting ref B/335, to Miss D.M.N. Dick, Staff Office, Rowntree Mackintosh plc, York YO1 1XY.

 Rowntree Mackintosh 

MPA INVESTMENT SERVICES

MPA is one of the leading firms of employee benefit consultants in the U.K.

Increasing demand for our services in the pension fund investment field has created new vacancies.

CONSULTANT with a general knowledge of pension fund investment media and methods. £8,000-£11,000.

CONSULTANT with a detailed knowledge of pension fund insurance contracts. £8,000-£11,000.

ASSISTANT to join our investment performance measurement team. This position would suit a numerate graduate. Training would be provided. £6,000-£8,000.

MPA offer excellent fringe benefits, conditions of employment, training and career opportunities. Relocation assistance may be provided.

Please apply, in confidence, for an application form to:

Stephen Boscoe,
MPA, Burwood House, 16 Caxton Street, London SW1 0QU
Tel: 01-222 3121

CAREER BANKERS

COMMERCIAL BANKERS

A progressive international bank offers an excellent opportunity to a young commercial banker, unable to satisfy their career ambitions and target with their present employers. A graduate, you will have had an outstanding 2-3 years with a leading market name and now wish to capitalise on this experience. REF: DE/1024B.

INTERNATIONAL LEASING - £24,000-£28,000 p.a. We wish to hear from Leasing Executives who feel their current career progression and prospects are not living up to requirements. Aged under 35 years, you will have considerable experience in medium/big ticket leasing, cross border deals and all other related areas. Marketing experience is essential. REF: DE/2245A.

INVESTMENT ANALYST - £12,500 Neg. An experienced Analyst is required for a successful financial institution. Probably currently with a merchant bank or leading stockbroker, a sound knowledge of UK, S. African and Australian investment areas would be advantageous. An MBA or accountancy qualification is desirable. REF: DE/1028B.

APPLICATIONS WILL BE TREATED IN THE STRICTEST CONFIDENCE

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF

SEARCH & RECRUITMENT

OPERATIONS MANAGER

This position has been created in the expansion of the active building arm of a large financial Trust. The successful candidate will be responsible for the day-to-day running of the Trust's operations and will report to the General Manager. He is a L.D.T. about to open in the City.

PRINCIPAL DEALER

An experienced and skilled Foreign Exchange and Derivatives Dealer is required to head the trading room, reporting to the General Manager. He is a L.D.T. about to open in the City.

BUSINESS DEVELOPMENT MANAGER

An American Bank with a marketing strategy for Europe and the Middle East requires an experienced Credit Officer with both feet on the ground and who enjoys a challenge.

BUSINESS DEVELOPMENT OFFICER

An experienced Credit Officer with particular knowledge of Southern Europe and the previous mobile company is required to be based in an international bank. Fluent French and/or Italian is necessary.

FOREIGN EXCHANGE DEALER

A position in a small active trading room is sought and requires a dealer with 2-3 years experience in all the major exchanges, and the ability to move down to a profit centre basis. Salary is negotiable above £12,000 p.a. plus benefits.

Speak to Sheila Jones

OLD BROAD STREET
BUREAU LIMITED

STAFF CONSULTANTS

01-588 3991

Finance Leasing

An international consortium bank in the City is seeking an assistant for the manager of their expanding leasing portfolio.

This is an opportunity for a young man or woman of appropriate ability to gain experience in negotiation at senior level and in the control of a portfolio. Candidates should be in their middle/late twenties and must possess some leasing or financial marketing experience.

A realistic starting salary will be paid. Other benefits include low-interest mortgage and profit-sharing schemes.

Applications will be treated in strict confidence. Please write initially stating age, qualifications and experience to Mr. E. Cotter.

GSR

Galley Slater Roe Limited
42 Drury Lane, London WC2B 5RN

NEW APPOINTMENTS

£15,000 - £50,000 p.a.

Connaught are the leading specialists in seeking executives to fill their most top jobs. Only Connaught offers a non-commercial structure. Contact us for a confidential discussion.

Connaught Executive Management Services Ltd

75 Grosvenor Street, London W1 01-493 8504

CUT THIS OUT

You will need it the day your job is at risk. We are the firm that provides the most experienced nationwide executive job search, career counselling and video coaching services. (75% of our clients take up higher salaries jobs.) We also have the best access to the unpublished market (over 50% go to unadvertised positions).

PHONE NOW
London 01-439 2271
Birmingham 021-432 5481
South 0225-333841
Manchester 061-435 1450

Percy COUTTS & CO. LTD

25 Whitehall, London SW1A 2BT.
Enquire also how these redeployment services can be included in your severance terms.

Management Consultancy

The natural step for outstanding accountants

City based to £18,000+car

We help organisations improve efficiency and profitability. Our work involves financial investigations, viability reviews, and developing and implementing effective management control systems.

It offers a unique opportunity to broaden your experience through solving problems for a wide range of industrial, commercial and public sector clients. Assignments are varied, the environment stimulating and the work intellectually challenging. Your skills, technical and personal, will be stretched to the full and may well be used within multi-disciplinary teams.

We now seek additional accountants of outstanding calibre, able to combine innovative thinking with sound first-hand experience.

Aged 26-32, you must be a graduate and professionally

qualified with a career in either the public or private sector, which demonstrates success and achievement. Your track record in problem solving will have been impressive, your promotion rapid. Experience of computerised systems is required.

Starting salaries will be in a range up to £18,000 and benefits may include a car.

Please send in confidence full personal and career details to Geoffrey Thiel, quoting reference 1074/FT on both letter and envelope.

The difference is **Deloitte Haskins + Sells**

Management Consultants

128 Queen Victoria Street, London EC4P 4JX



EXCELLENT OPPORTUNITY

HEAD OF ADMINISTRATION and COMPANY SECRETARY

PLYMOUTH based TSW — TELEVISION SOUTH WEST LIMITED — with a turnover of £15 million plus p.a. and more than 300 employees, offers an EXCELLENT SALARY and PROSPECTS for an EXCEPTIONAL EXECUTIVE.

The successful applicant (preferred age 23-45, male or female, Chinese, black, white — TSW is genuinely an equal opportunity employer) will have proven entrepreneurial flair and knowledge of finance, sales and general administration (not necessarily in television) and be capable of dealing with people at all levels.

A knowledge of legal matters would be an advantage as would a degree (particularly in Business Administration, Law or Philosophy) or other qualification such as F.C.I.S., A.C.A., A.C.M.A. You need not have had any experience as a Company Secretary nor as a Head of Administration but should be able to show a capacity to fulfil those roles.

Reporting directly to the Chief Executive (aged 35) you will be required to act as a problem-solver, general administrator and organiser, be capable of writing clear, brief reports, and must be prepared to work odd hours and become totally involved with the company.

Sell yourself in a C.V. to the CHIEF EXECUTIVE,

TSW — TELEVISION SOUTH WEST LIMITED,
DERRY'S CROSS, PLYMOUTH, DEVON, PL1 2SP

NEW ISSUES EXECUTIVE

A leading International Financial Institution requires a junior executive to work in their New Issues Eurobond Department. A solid background in investment banking of two to three years and high academic qualifications, as exhibited by an MBA, are essential requirements. A working knowledge of one or two other European languages, apart from English, would be helpful.

Please write with brief but comprehensive c.v., including current salary, listing any companies to whom you do not wish your application forwarded and quoting ref: FT/490 to:—

Peter Phillips

RILEY ADVERTISING (SOUTHERN) LTD.
Confidential Reply Service, Old Court House
Old Court Place, London W8 4PD

DEALERS

The London Branch of a leading European Commercial Bank offers an opportunity in its expanding dealing room for a FOREIGN EXCHANGE DEALER (2/3 years' experience, aged circa 25) and a JUNIOR DEPOSIT DEALER (min. of 1 year's experience).

Conditions of service are consistent with those offered by major international banks and salary is by negotiation.

All applications will be dealt with in strictest confidence and should be addressed, with a full curriculum vitae to:

Box A7889, Financial Times
10 Cannon Street, London EC4P 4BY

INTERNATIONAL BANKING

London branch of U.S. regional bank with specialisation in shipping, energy and sovereign risk lending, seeks graduate with experience in credit, syndication, Euro-currency documentation, etc., who wishes to increase his/her responsibilities.

He or she would become involved in most stages of development, negotiation and servicing of customer transactions.

Some European languages would be useful. Salary and benefits negotiable.

Write Box A7888, Financial Times, 10 Cannon Street
London EC4P 4BY, with full curriculum vitae

The International Petroleum Exchange of London

Comfin, well established Commodity Brokers in sugar, cocoa and oil, and who will be active members of LIFFE, wish to expand further their oil futures department.

The Company is the UK associate of a major international group with interests, *inter alia*, in commodities, banking, insurance, distribution and food.

Comfin wish to appoint a head of the oil futures department. Applicants must possess a good working knowledge of the oil trade. The Company offers a stimulating and challenging career.

Please write in confidence to:
Michael Overlander,
Comfin (Commodity & Finance)
Company Limited,

Adelaide House, King William Street, London EC4R 9DX.

CREDIT OFFICER

£15,000c. full range of benefits

A Mid-Western American Bank is seeking an additional officer to supplement its expanding Credit Administration Division.

Ideally, candidates should be aged 26-35, educated to degree level with an MBA or equivalent post graduate or professional qualifications. Candidates must have analytical/quantitative skills or academic training in a related field. Previous experience with a firm of stockbrokers, major accountancy or financial institution is desirable.

Written applications incorporating a curriculum vitae should be addressed to Box No.A7887, Financial Times, 10 Cannon Street, London EC4P 4BY.

Large German Bank

operating internationally requires a

DEPARTMENT MANAGER

to take charge of the

INSTRUCTIONS DEPARTMENT at its London Branch

He/she will be aged between 30 and 40 years and should have good experience in a similar banking position involving the running of the operations which support the Foreign Exchange, Money and Precious Metal Dealing. (Documentary Credit experience could also be useful).

Starting salary, depending upon experience, £13,500-£14,500 plus excellent fringes. Apply in confidence: H. R. V. Vessel, Consultant.

NOEL ALEXANDER ASSOCIATES LTD.

International Advisers to Banks & Financial Institutions

70 QUEEN VICTORIA STREET, LONDON EC4N 4SJ

THE OPEN UNIVERSITY Centre for Continuing Education DIRECTOR OF MANAGEMENT EDUCATION PROGRAMME

Applications for this new post at professional level are invited from suitably qualified persons with substantial management experience in industry, commerce or the public sector. The successful candidate, who is for seven years in the first instance, offers the opportunity to develop a substantial programme of management education for a wide audience through distance learning. The new Director will be expected to provide the intellectual and professional leadership to those involved in creating appropriate courses. Salary will be within the normal UGC approved professional range plus USS benefits. Further particulars are available from the Secretary (4388/2), The Open University, Walton Hall, Milton Keynes, MK7 9AA or by telephone from Milton Keynes (0205) 657010; there is a 24 hour answering service on 653688. Closing date for applications: 30th July 1982.

FOREX

APPOINTMENTS
For Forex/LIFFE/Money Market appointments at all levels discuss your needs, at no cost, with a specialist:
TERENCE STEPHENSON
13/14 Little Britain
London EC1A 7BX
Tel: 01-406 6834
20 years market experience

APPOINTMENTS ADVERTISING

Rate £29.00
per single column
centimetre

PETROLEUM EXECUTIVE

A vacancy exists in an International Petroleum organisation for Marketing Executive in the U.K. Desirable candidate should have:

Preferably a Degree in Business Management with at least 5 years well rounded management experience in petroleum industry at Management Executive level, preferably with a Major Oil Company in cargo sales/purchase, refinery runs co-ordination, quality control etc. Cultural, linguistic affinity with Middle Eastern/African and/or Asian countries.

Willing to be relocated to Branch offices for extended periods in Middle Eastern/African countries, particularly Indo-Pakistan Sub-Continent.

Age: Late twenties to mid thirties. Successful candidate will start with approximately £10,500 plus per annum.

Candidate must be either National of UK or an EEC Country or have a residence right in U.K.

Apply in confidence to Box A7885
Financial Times, 10 Cannon Street, London EC4P 4BY

SEARCHING FOR THE RIGHT JOB?

We can help you by offering the most comprehensive Career Counselling service in Europe. Our unique guarantee assures clients of rewarding careers, of which some 70% are obtained from the unpublished job market. Telephone for a free confidential appointment for an assessment by a consultant, or send us your c.v.

CHUSID

The Professionals in Career Counselling

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Limited. Address as above.

London: 01-580 6771
35-37 Ritzway St. W.1.
Manchester: 061-228 9089
Surrey Building, Piccadilly Plaza.

INVESTMENT ANALYST - SALES Japanese Market

City based

Age 25-35

£15,000 +

Our client, a major firm of stockbrokers, will shortly appoint a senior Investment Executive to join their small team that specialises in the Japanese Market.

Responsibilities will include analysing Japanese companies with particular emphasis upon:

- ★ Analysing detailed material for this market.
- ★ Visiting companies, which will entail overseas travel.
- ★ Discussing with major institutions investment ideas related to the Japanese market.

The ideal candidate, who will probably be a graduate or have a professional qualification (ACA), will have at least three years' experience in the investment world. The person appointed will be articulate, enthusiastic, with the ability to produce investment material and to discuss this to the high standard expected by our client.

He/she will need to have the poise and confidence to talk to clients at the highest level. The position offers a first class opportunity with a leading British name within the City of London.

An attractive salary, which will be negotiated and have a bonus element, will be paid but is unlikely to prove a problem for the right candidate.

Please apply to Jack Courts.

Chichester House, Chichester Rents,

Career plan
LIMITED
PERSONNEL CONSULTANTS

London WC2A 1EG. Tel: 01-242 5775

Most people are blind to the opportunities of tomorrow — those with foresight must succeed..... J. Paul Getty

Today's Stockbroker Tomorrow's Partner

CITY BASED

GENUINE PROSPECTS

Founded in 1922, Our Client pioneered overseas Stock Market trading and retains strong international links today. Their U.K. business has shown steady growth both in the private client and institutional sectors.

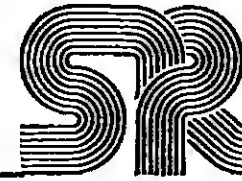
The present partners are young and have a creditable success record in what most feel are difficult times. They now seek to complement the overall strength of the team by appointing a number of new members who have the potential and ambition to aspire quickly to full partnership status.

The people we would like to meet will be positive thinkers with a proven track record in profitable business development. Professionals, who in their present environment feel their ability deserves much greater recognition and who have the determination to prove it given the opportunity.

Above all you must be able to make an active and progressive contribution to the partnership both in terms of initiative and ideas.

The financial package is highly attractive and will be negotiated individually with the successful candidates. Money will certainly not be a stumbling block for the right people. The working conditions are excellent and the company boasts a 'back office' that is amongst the most efficient in the City.

Candidates should write in the first instance to: Malcolm Silver, who is acting as advisor to the company, at Silver & Robb Associates, Orient House, 42/45 New Broad Street, London EC2M 1QY or telephone him in confidence on (0926- 312682) between 6.30 - 9.30 any evening. Please mark your envelope 'Private & Confidential'.



SILVER & ROBB ASSOCIATES

Management, Selection & Training Consultants

INVESTMENT MANAGER

The Banque du Rhone et de la Tamise S.A., a Swiss bank based in Geneva, is expanding portfolio management services offered to customers of the London branch.

An Investment Manager is to be appointed to develop business in the United Kingdom and abroad.

The successful applicant will be:

- Experienced in personal and institutional portfolio management.
- Well introduced in the London market.
- Familiar with the major investment markets abroad.

Remuneration is negotiable and will include benefits which are commensurate with the position.



Please reply in confidence to:—

R. C. N. Tweed, Esq.
Banque du Rhone et de la Tamise S.A.
Licensed Deposit-taker
107-112 Leadenhall Street
London EC3A 4AL Tel: 01-283 8600

U.S. INVESTMENT ADVISER

If you are an individual or independent organisation with your own U.S. equity clients and you simply require competitive clearing facilities and private space in a non-member's office in the City, please contact
Box A7888, Financial Times
10 Cannon Street, EC4P 4BY

EXECUTIVES AND DIRECTORS

£25,000—£75,000

Shrewd people recognise that first-class job opportunities do not grow on trees but that there are more about than meet the eye; that each proposition must be carefully vetted before being discarded or pursued; that a high degree of self-awareness plus detailed preparation are essential to win the "Big One" against current explosive competition; that it helps to have on-going access to a real professional for informed advice and objective opinion at those crucial times.

LESLIE COULTHARD ASSOCIATES
10 Walside, London Wall, EC2Y 8BH (01-588 4254)

EUROBOND TRADERS/SALES

Expanding professional team requires experienced traders and sales people with indepth knowledge of FRN's, FRCO's and other capital market instruments.

Attractive remuneration packages will be negotiated for the successful candidates.

Please contact: John Webster

BRANCH MANAGEMENT

Our client is continuing to expand its branch network and is interested in talking to ambitious clearing bankers currently at Grade IV or V level.

Successful candidates are likely to have full AIB and must possess the self confidence and leadership qualities expected of a branch manager. Locations are likely to be North East London and Essex. Ages 28-32. Salaries c £10,000.

Please contact: David Little

LOANS OFFICER

A confident, self-motivated credit analyst is sought by an international bank for their West End office. Applicants must have the capability to set-up a department, initially building on existing business and developing the lending portfolios. This position offers good career potential and involves a great deal of customer contact. Salary: c £13,000 plus usual banking benefits.

Please contact: Diana Warner

Jonathan Wren

BANK RECRUITMENT CONSULTANTS

170 Bishopsgate - London EC2M 4LX - 01 623 1266

SENIOR TAXATION ASSISTANT

roller, The
Hongkong Bank
Group

CHEMICAL BANK
An equal opportunity employer

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only).
9.05-11.50 For Schools, Colleges.
1.00 pm News After Noon. 1.30-1.45 Check-A-Block. 2.00 You and Me. 3.15 For Schools, Colleges. 3.00 Tennis: The BMW Championships. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Drak Pack. 4.40 The Littlest Hobo. 5.05 John Craven's News-round. 5.10 Blue Peter.

5.40 News.
6.00 Regional News Magazine.
6.25 Nationwide.
6.50 World Cup Report.
7.30 Top of the Pops with Simon Bates.
8.10 Fame: Dreams of success and the big-time mingo with joys and frustrations.
9.00 News.
9.25 Oppenheimer. Part 3 of the story of the atomic bomb pioneer.
10.25 Question Time, with Robin Day in the chair.
11.25 News Headlines.
11.30 World Cup Report. Late night round-up of highlights.

All IBA Regions as London except at the following times:-

ANGLIA
1.20 pm Anglia News. 2.00 Not for Women Only. 3.45 Never the Tweak. 4.20 Sport. 5.15 Survival. 6.00 About Anglia. 11.30 Lou Grant. 12.30 am The Mucker Challenge.

BORDER
1.20 pm Border News. 3.45 Never the Tweak. 4.20 Sport. 5.15 Here's Boomer. 6.15 University Challenge. 8.00 Lookaround Thursday. 11.30 Pro-Celebrity Speaker. 12.15 am Border News Summary.

CENTRAL
1.20 pm The Young Doctors. 1.20 Central News. 3.45 Never the Tweak. 4.20 Sport. 5.15 Here's Boomer. 6.15 University Challenge. 8.00 Lookaround Thursday. 11.30 Pro-Celebrity Speaker. 12.15 am Border News Summary.

CHANNEL
1.20 pm Channel Lunchtime News.

TELEVISION

Chris Dunkley: Tonight's Choice

I suspect that for many people, BBC2 and the radio are going to become even more than usually, blessed havens of escape as this "Great Summer of Sport," the BBC's phrase (not mine), shouts and screams its way to various climactic tantrums in all sorts of odd suburban spots. Eastbourne (International Tennis) on BBC-2, Zaragoza (World Cup '82) on ITV and Ascot (Royal Ascot) on BBC-2.

Music lovers at any rate are well served by BBC2 and radio, especially lovers of Beethoven and above all, Stravinsky. Radio 3 offers a 1958 recording of the composer himself conducting the BBC Symphony Orchestra at the Festival Hall, in a programme of ballet music (Agon, Symphony, Apollo Musagets, and The Firebird) called Stravinsky Conducts Stravinsky. That clashes head on with BBC2's Stravinsky And The Dance introduced by former BBC producer John Drummond who is now director of the Edinburgh Festival.

At 10.15 Radio 3 returns to the man again for a "collage of musical tributes" called In Memoriam Igor Stravinsky. The Beethoven Concert is on Radio 4 with Seiji Ozawa conducting the Philharmonia in the Leonora Overture and Symphony No. 7, and Isaac Stern playing the Violin Concerto.

BBC 2

6.40-7.55 am Open University.
10.20-10.55 Play School.
1.30 pm Royal Ascot and Tennis.
16.10 Charlie Chaplin.
9.40 Travellers in Time.
7.10 News Summary.
7.15 Stravinsky and the Dance.

What's On Where and Weather. 3.45 Never the Tweak. 5.20 Crossroads. 6.00 Channel Report. 6.15 Amused. 6.25 Crossroads. 6.30 Channel Lunch News. 11.30 Mosaic. 12.25 am News and Weather in French.

GRAMPAIN
3.45 First Thing. 1.20 pm North News. 3.45 Never the Tweak. 5.15 The Sportsman's Show. 6.00 North Tonight. 6.30 Police News. 11.30 Court. 12.30 am North Headlines.

GRANADA
1.20 pm Granada Reports. 1.30 Exchange Place. 2.00 Crown Court. 2.30 Yesterday. 3.45 Never the Tweak. 4.20 Sport. 5.15 Here's Boomer. 6.15 University Challenge. 8.00 Lookaround Thursday. 11.30 Pro-Celebrity Speaker. 12.15 am Border News Summary.

HTV
1.20 pm HTV News. 3.45 Never the Tweak. 4.15 Here's Boomer. 4.45 The Flying Kiwi. 5.15 Jobline. 6.15 Sonson.

LONDON

9.25 am Schools Programmes.
12.00 Gammun and Splinch.
12.10 pm Get Up And Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus presented by Elaine Grand. 2.45 Whicker's World. 3.45 Survival. 4.15 Bugs Bunny. 4.20 Little House on the Prairie. 5.15 Never the Tweak.

5.45 News.
6.00 Thames News with Andrew Gardner and Rita Carter.
6.25 Help! Community action with Viv Taylor Gee.
6.35 Crossroads.
7.00 GIVE US A Clue with host Michael Aspel and team captains Una Stubbs and Lionel Blair.
7.30 World Cup '82: N. Ireland v Yugoslavia from the Romareda Stadium, Zaragoza, plus highlights of Czechoslovakia v Kuwait from Valladolid.
10.20 News At Ten.
11.00 TV Eye.
11.30 Hill Street Blues.
12.25 am What The Papers Say.
12.40 Close: "Sit Up And Listen," with Hugh Dykes.

† Indicates programme in black and white

5.15 Watch This Space. 5.30 Coast to Coast. 6.00 Coast to Coast. 6.15 Quincey. 12.25 am Company.

TYNE TEES
9.25 am The Good Word. 3.20 North News. 1.20 pm North East News and Lookaround. 3.45 Never the Tweak. 4.20 The Lone Ranger. 4.50 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life with Tom Coyne. 11.00 North East News. 11.30 Crack in the Ice. 12.02 Job Slot. 12.05 am The Invisible Harvest.

ULSTER
1.20 pm Ulster News. 3.45 Never the Tweak. 4.15 Ulster News. 5.15 Jingles. 6.00 Good Evening Ulster. 6.25 Police Su. 10.50 Ulster Weather. 11.30 Church Report. 12.00 News at Bedtime.

YORKSHIRE
1.20 pm Yorkshire News. 3.45 Never the Tweak. 4.20 Sport. 5.15 Father Murphy. 6.00 Calendar (Emley Moor and Baldaire additions).

BUSINESS LAW

The vital needs of insolvency law

BY JUSTINIAN

Bankruptcy is a recondite branch of the law designed to regulate the consequences of an individual debtor's insolvency. It has three main purposes. It seeks to preserve fairness among creditors competing for the limited assets available for distribution; it protects the bankrupt from undue pressure exerted by certain creditors; and it discharges the bankrupt from his liabilities and enables him to start afresh.

In performing these three tasks the system has to frame rules that are designed at one and the same time to cope with the commercially unfortunate and the fraudulent debtor. The former must be helped back on to his feet while the latter must be controlled against further fraudulent trading.

Early legislation — the first English statute dates back to 1542 — was mainly directed against fraudulent debtors. More recent times have seen a shift in emphasis towards the luckless whose numbers swell in times of economic stringency. But there has been a growth in the awareness of the authorities that the system is insufficiently tough on the fraudster, or at least the reckless trader.

It is against that background that the Cork Committee on Insolvency Law and Practice has finally reported, after five years of discussion, in a document that is copious and searching in the solutions of modern insolvencies, both of individuals (bankruptcy) and of corporations (winding-up). The leitmotif of the report is the harmonisation of the individual and corporate insolvencies within the confines of an Insolvency Court. But throughout it keeps well in the forefront the need to promote honest trading while distribut-

ing the assets fairly and swiftly among creditors.

In two major respects the Cork Committee seeks to dissociate the criminal law from the civil law, as if the former was to be regarded as purely punitive and the latter merely compensatory. It assumes that it is inappropriate or illogical that civil damages should include a punitive element and that the criminal law is exclusively the better instrument for conveying social disapproval or for redressing a wrong to the social fabric. As a matter of pure pragmatism English law has never compartmentalised the two systems. Indeed there is a strong move afoot to inject into the criminal law a greater compensatory element as a penal sanction. The recommendations of the Cork Committee would seek to stifle that development.

The first proposal is to break up the present offence of fraudulent trading, which has very restricted application in that it can be committed only by a director of a company that at the time of prosecution has gone into liquidation. That restriction apart (which may need to be modified) the Cork Committee proposes a new civil remedy of "wrongful trading."

A company would be trading wrongfully if, being insolvent or unable to pay its debts as they fall due, it incurs liabilities to other persons without a reasonable prospect of meeting them in full. Anybody who was a party to the carrying on of the company's trading may be made personally liable for the debts of the company if he knew, or ought to have known that the trading was wrongful. Wrongful trading, while having a wider field of application than fraudulent trading, is acknowledged as overlapping the criminal law.

But wrongful trading, as a

separate legal concept, would require neither proof of fraud or dishonesty, nor the criminal standard of proof. The Committee concluded: "It is right that it should be an offence to carry on business dishonestly; and right that, in the absence of dishonesty, no offence should be committed. Where, however, what is in question is not the punishment of an offender, but a provision of a civil remedy for those who have suffered financial loss, a requirement that dishonesty be proved is inappropriate. Compensation ought, in our view, to be available to those who suffer foreseeable loss as a result, not only of fraudulent but also of unreasonable behaviour."

Dishonesty may be the badge of criminality, although dotted around the criminal statutes there are many offences that do not have dishonesty as an ingredient. But if the law is designed generally to provide redress to the victims of unlawful trading (whether the unlawfulness is dishonest or negligent) does it matter whether the forum for providing the remedy is civil or criminal?

The latter is conducted almost wholly at public expense by an inquisitorial public authority with extensive resources at its disposal, whereas the former is cumbersome and costly to the individual victim.

The second proposal is at once both more sound and equally defective. The Cork Committee proposes that criminal bankruptcy, experimentally introduced in 1972 as a method of slotting the convicted offender before the criminal court into the civil process of bankruptcy, should be wholly detached from the system established under a new Insolvency Act. The existing

procedure for criminal bankruptcy is regarded, correctly, as fundamentally unsound, since the convicted offender may not even be insolvent, a prerequisite for civil bankruptcy. The proposed alternative is a separate and distinct system from the ordinary processes of insolvency.

But the Cork Committee goes on, in an astonishingly naïve way, to propose that any new system should be administered by "the branch of government concerned with sentencing and the prison service."

Within the framework of legislation, sentencing policy and practice is exclusively a matter for the criminal courts. The Home Office, as the department responsible for the prison service, merely executes the orders of the courts. It can at best only influence sentencing policy and never sentencing practice. Furthermore the recouping of the fruits of crime from an offender should, it is to be hoped, not involve the prison service, save in the few cases where the crime is so serious that imprisonment must follow.

What is needed is not another bureaucratic machine to administer the assets of convicted offenders, but extended powers to the agencies of law enforcement and the courts. Investigative agencies need to be stimulated to direct their inquiries towards the accumulation of reliable evidence indicating the whereabouts of the fruits of crime. The courts for their part need to be empowered to freeze the assets of offenders in advance of them being siphoned off to tax havens, or numbered bank accounts. Those are the vital needs if the victims of wrongful or fraudulent trading are to recover their losses in whole or in part.

RACING

BY DOMINIC WIGAN

DESPITE THE fact that France, Ireland and Sweden are all represented in today's £50,000-to-the-winner Ascot Gold Cup the home country's lone representative Ardross should again have matters entirely his own way.

If he justifies odds of around 4-1 on Ardross will be breaking new records for both his handler Henry Cecil, and jockey Lester Piggott. For Cecil, it

will be a possibly never-to-be-equalled fourth consecutive triumph in the Gold Cup; for Piggott it will be an 11th victory in a race he started "farming" nearly 30 years ago.

A six-year-old stayer, who stands head and shoulders above his contemporaries now that Cecil's dual Gold Cup winner Le Moss has left the stage, Ardross is almost certainly a greater stayer at this late stage in his career than at any time in his four or five-year-old days. This supposition is borne out by three remarkable exhibitions of pace by the Warren Place stayer already this season. He

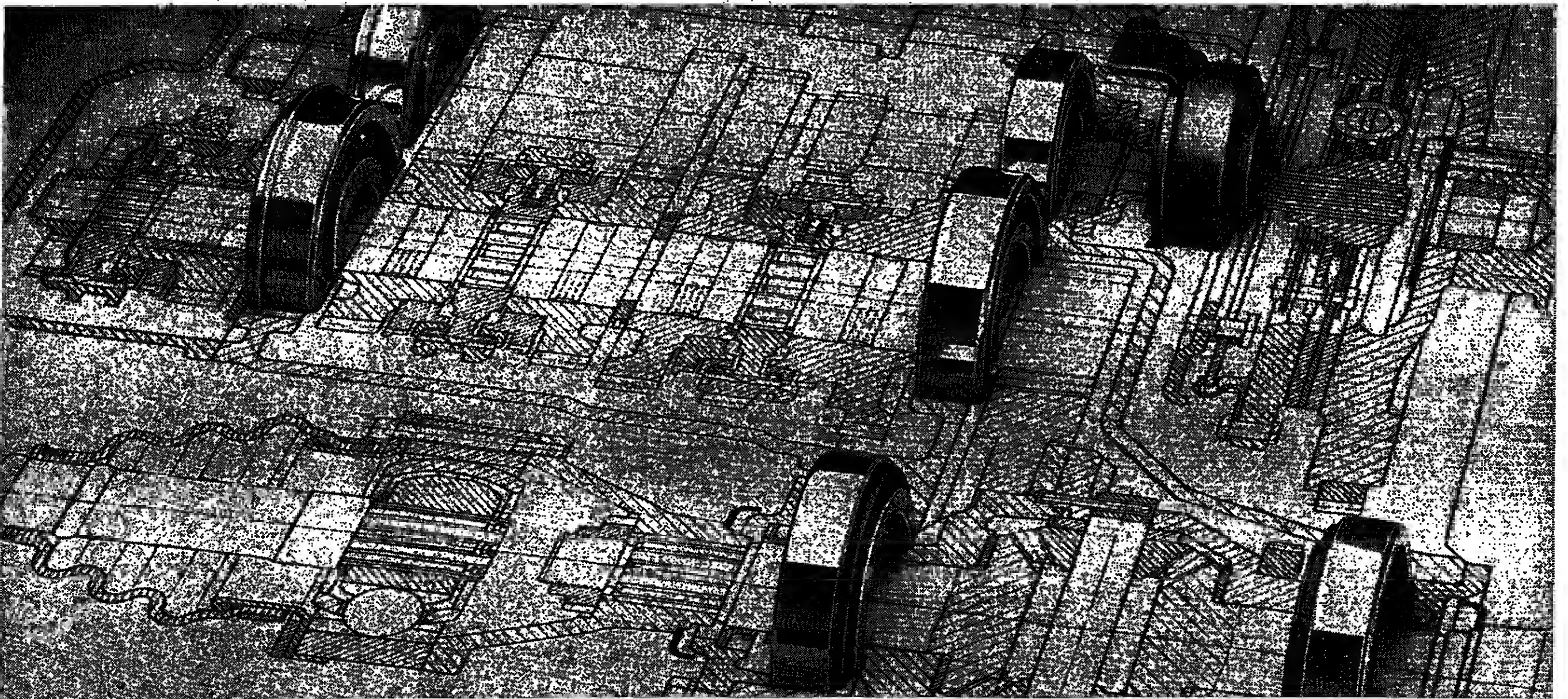
was the narrow but emphatic conqueror of Gint of Gold and Amydas over an inadequate trip in Newmarket's 11-mile Jockey Club Stakes on a seasonal debut.

After covering the final five furlongs of the 11-mile Yorkshire Cup in a phenomenal 58 seconds soon after that Jockey Club Stakes success Ardross proceeded to knock nearly a second off the two miles course record at Kempton, where he gave Captain nine pounds and a 21 lengths beating in the Henry II stakes.

I have never been a great admirer of Electric, who looked woefully one-paced against Jalmood and Mr Fleurocarbon at Lingfield five weeks ago, and from a betting point of view I suspect that his presence in the King Edward VII stakes will ensure good value being available about Norwick.

A winner twice here as a two-year-old, Norwick ran his best race in a long while when fifth in the Derby a fortnight ago.

ROYAL ASCOT
2.30—Not For Show
3.05—Bal Royal
3.45—Ardross
4.20—Norwick***
4.55—Spindle Berry
5.30—Forward**



The missing dimension.

A blueprint can be quite an anomaly. At least where bearings are concerned.

It can seem to confirm the popular belief that all rolling bearings are much about the same—a few rolling elements in between a couple of rings and a cage of sorts to keep them apart, or maybe together, and varying little except in size.

Which is a half truth. And a long way from reality.

Looked at closely, the same blueprint can reflect a complexity of know-

how, with ball and cylindrical and taper bearings all put together in a car gearbox for instance.

Which, in turn, is a step nearer the truth that the strength of bearings is often in their differences.

This brings us to a dimension you can't see in the drawing. Modestly known as application engineering, but based on four criteria that are far from modest.

First: on SKF competence in a microgeometrical bearing world where big energy savings can depend on a tenth of a thousandth of a millimetre.

Secondly: on 75 years of field experience, accumulated by thousands of engineers and passed on to our application specialists today.

Thirdly: on an understanding of the problems that equipment makers and users are faced with and that are fed back into SKF's own anti-friction R & D.

Fourthly: on our ability to

balance ideal rolling bearing selection and application design, only made possible by an unrestricted programme of bearing types.

All of which is the extra dimension built into our bearings—from miniatures weighing three hundredths of a gramme to those weighing 500 million times more.

And into the blueprint solutions we also provide—worldwide.

We ease the friction of mechanical movement.



GC44

SKF

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Heavy going for Tesco in its dash for market share

David Churchill looks at the "action replay" of the supermarket group's price cutting campaign to reassert its position.

LESLIE PORTER and his board colleagues will not have much time to watch the World Cup over the next few weeks—even though players from the team they support, Tottenham Hotspur, are turning out for both the ultimate adversaries in Spain: England and Argentina. Porter and his colleagues will be too preoccupied tracking the progress of their risky price-cutting campaign, which aims to restore Tesco's leadership in the supermarket league.

Having seen Tesco's position at the top of the first division eroded by the success of J. Sainsbury over the last three years, Porter set the ball rolling a month ago with an "action replay" of the successful Tesco price-cutting campaign of five years ago.

On Monday May 17 all its 450 high street stores were closed down while over 1,000 grocery lines were marked down by between 3 and 27 per cent.

Yet the early indications from the retail trade are that this new campaign—called "Operation Checkout '82"—has had nothing like the impact of its forerunner. Though they have monitored it from the start, none of Tesco's high street supermarket rivals has shown any sign of making a direct response to the Tesco move.

Even Leslie Porter himself admits to being a "bit disappointed." His feeling arises from sales being only "on target"—about 8 per cent real growth over last year—and not wildly in excess of the target figure, as they were in the months after the 1977 "Operation Checkout" was launched.

Five years ago, the day after the Queens Silver Jubilee celebrations, Tesco shook up the slumbering grocery world with

a price-cutting campaign costing at least £20m. Price cuts were made right across the board, financed by Tesco's decision to stop giving away Green Shield trading stamps, as well as being made possible by the general lethargy in the trade which had let profit margins—including Tesco's own—become rather plump.

Tesco's aggressive price-cuts immediately won it a massive increase in sales volume—the number of units handled by its warehouses rose in the space of a few months from 1.75m per month to 2.4m—and a sharp rise in market share, from about 8 per cent to 12 per cent. Its competitors were virtually left waiting for the referee to blow his whistle and start the game.

Less muscle

The beneficial effect on profits only began to wear off after about two years, as interest charges soared on the heavy borrowings Tesco had made to finance its expansion of stores. As a result, it was forced to let prices rise, but this, and some uncertainty over its marketing strategy, hit its market share.

So this time round, Tesco has had less financial muscle to use. Nor does it have the "once-and-for-all" benefit of giving up stamps again. And it has been unable to capitalise on its competitors' acknowledged weakness: its rivals—especially Sainsbury and Asda—have much stronger squads now than in 1977.

On the other hand, Tesco paved the way for its latest price-cutting campaign with an extensive rationalisation of its product ranges and control sys-

tems, enabling it to make what it claims are significant savings on stock holdings. All the same, retail analyst Tony MacNeary of stockbrokers Capel-Cure Myers adds, that "there is no doubt Tesco has made some significant reductions in gross margins to help pay for the price-cuts."

The new campaign was backed up by extensive press and television advertising—estimated to cost some £2m over the first three months and £10m in all this year. The advertising campaign was handled by Grandfield, Rork and Collins, the same team that had handled the first Operation Checkout campaign.

The reaction of Tesco's rivals also suggests that the price-cutting campaign may not have been so effective. "Nobody seems to be at all alarmed by the price cuts," reports MacNeary. Brian Bennion, grocery buying director of Fine Fare, says the predicted price war "has been a non-event so far," while Iain Tweedie, an Asda spokesman, says that the supermarket group has not altered its "consistently low prices" because of the Tesco move.

Peter Davis, marketing director of J. Sainsbury, also scorns the idea of a price war developing as a result of the Tesco campaign. "We've analysed the Tesco price levels very closely over the past few weeks—as well as the reactions of other groups—and there is nothing to make us change our already extremely successful marketing plans," he says. "I am confident that there will be no price war."

There is obviously an element of tactics involved in this sort of reaction from other supermarket groups, since they would not want to signal any inten-



"Operation Checkout"—what will be the fruits of this labour?

tion of launching their own price-cutting campaign. But Sainsbury is probably the only supermarket chain at present that could afford to hit back aggressively at the Tesco move; its profits growth over the past three years has been remarkable—up by a third or more each year—while most other chains have been lucky even to keep the levels of profits static.

Until earlier this year this applied to Tesco. But yesterday it announced pre-tax profits for the 1981-82 financial year up by £7.1m to £42.7m.

One of the reasons Sainsbury may consider an immediate move unnecessary is that it is still riding high in the league table of market shares (though

this is only for packaged groceries and does not include such areas as fresh foods). A year ago, Tesco was still the league leader with between 14 and 15 per cent of the market, while Sainsbury was trailing a full percentage point behind. Now, however, Sainsbury has opened up a two-point gap at the top with some 15.5 per cent of the market, compared with 13.5 per cent for Tesco. Asda trails a long way behind in third place with some 8 per cent.

Keen prices

No figures are yet available to show whether Tesco's campaign has enabled it to close the gap at the top, although it would be surprising if its market share has not moved somewhat closer to Sainsbury's.

But the move has certainly achieved one aim: restoring some of the company's reputation for keen prices and thereby clarifying its market image. Having increased prices over the past couple of years, Tesco found itself languishing in fifth place in the league table of lowest-priced supermarkets, behind Asda, Sainsbury, and two northern-based grocery chains, Ellards and Morrisons. However, preliminary figures now circulating in the grocery trade suggest that Tesco has drawn level with Sainsbury on low prices, although it is still behind Asda. In the supermarket league, unlike soccer, it's the cheapest team that gets to the top.

Why the Mail on Sunday is adjusting its sights

BY ALAN PIKE

THE EARLY introduction of a colour magazine is a likely consequence of The Mail on Sunday's failure to settle down at its target 1.25m circulation since its launch last month.

Although some advertising industry executives have consistently bemoaned the absence of a magazine with The Mail on Sunday, the production of one did not figure at the top of pre-launch priorities for Associated Newspapers, the Mail's publishers. With production of the new Sunday newspaper limited by capacity constraints to 1.5m copies the additional readership coverage which a magazine could generate looked small, so it was relegated to the middle distance of importance.

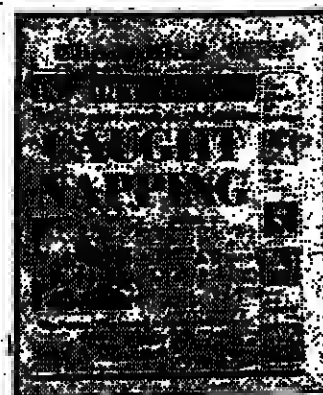
It is now clear, however, that circulation is settling down at around 900,000 copies—some 350,000 short of the hoped-for figure and the magazine project has therefore been lifted up the list of priorities with its introduction as early as possible next year being the target.

John Winnington-Ingram, managing director of The Mail on Sunday, confirmed such a move this week. He made the point, though, that "just another colour magazine would not add to the market and would do little for sales. We would be looking for something significantly different and more exciting than the magazines already produced."

A decision to go ahead with the magazine would inevitably be accompanied by a major marketing promotion for The Mail on Sunday. The next of these will not take place until the autumn when, after a summer of taking stock, the company will embark upon a publicity campaign to take circulation closer to the original target.

Winnington-Ingram, looking back from the vantage point of the first half-dozen issues of the first national Sunday newspaper to be launched in Britain for 21 years, assessed the position in measured terms when he addressed the Manchester Publicity Association last week. "Our targets remain unaltered. They will just take a little longer to achieve than we had hoped."

The first issue of The Mail on Sunday was cursed by production problems which have not yet been fully exorcised from the system. Newly-installed photo composition equipment proved up to the task, but acclimatisation problems arose with the older generation presses to which the production system is linked. Many potential readers failed to obtain copies, while media and



advertising specialists who did see the first issues were sometimes less than ecstatic.

Winnington-Ingram consoles himself—and his colleagues—by recalling that reaction to the tabloid relaunch of the Daily Mail was much more uncomplicated. His basic message, in spite of the fact that Associated will have to invest rather more time and money in nurturing the new Sunday than the company first envisaged, is one of continued confidence.

"We still think that the market we defined is there. There is no question of second thoughts, or lack of will or resources. Launching a national newspaper is not like launching a magazine—this is something for keeps," he emphasised.

Monitoring

NOP and Marplan have been carefully monitoring reactions to the newspaper and feeding information back to Associated Newspapers. The Mail on Sunday was launched with a home delivery scheme which enabled Daily Mail readers to buy it at 17p instead of 28p for the first six weeks, and this has given the researchers a data-bank of names and addresses for interview purposes. "There were 450,000 applications for home delivery—plus a further 100,000 orders placed after the discount scheme—and from the research Associated expects the drop-off rate following the end of the discount scheme to be well

below 20 per cent.

The research is producing a readership profile which is more comforting to Associated than the June circulation figures—youth with a bias towards women. Most importantly, the ABCI readership had increased to 59 per cent last week from 57 per cent in the low 50s.

Where are the readers coming from? The Mail on Sunday has probably already expanded the market by 350,000 or more. Beyond this, Associated research suggests that it has so far taken rather more readers from the Sunday Telegraph than it expected, and rather fewer from its main middle-market rival, the Sunday Express.

Figures at this early stage of the new newspaper's life can be anxiously confusing. A suggestion that The Mail on Sunday had taken 175,000 copies from the Sunday Express was hotly contested by Express Newspapers, and the estimate was undoubtedly well on the high side.

Although Associated says that most categories of advertising are holding up well, it is clear that the industry is still keeping an open mind about the new arrival. "The production problems, and their effect on the production quality of the newspaper, have caused difficulties," says Chris Horsley, agency director of the Ted Bates agency.

"Beyond that, The Mail on Sunday does not yet seem to have decided whether it wants to be a newspaper or a magazine. It has got a bit better since the first issue—I think there is an air of disappointment among advertisers—but the newspaper is not beyond redemption."

Not beyond redemption would be putting it a bit mildly for Mr Winnington-Ingram's taste. He reminds critics that, even though the 900,000 circulation is below expectation, The Mail on Sunday has achieved "the highest ever circulation for a new publication" in the early stages of a launch.

Dear Dudley,
Please send my completed order form to:
Dudley, Please send my completed order form to:
Dudley, Please send my completed order form to:
Dudley, Please send my completed order form to:

The type and size of property/land I'm interested in is...

As far as my company's labour requirements are concerned, I would envisage...

In addition, I would like to add...

REGARDS,

NAME.....

POSITION.....

COMPANY.....

ADDRESS.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

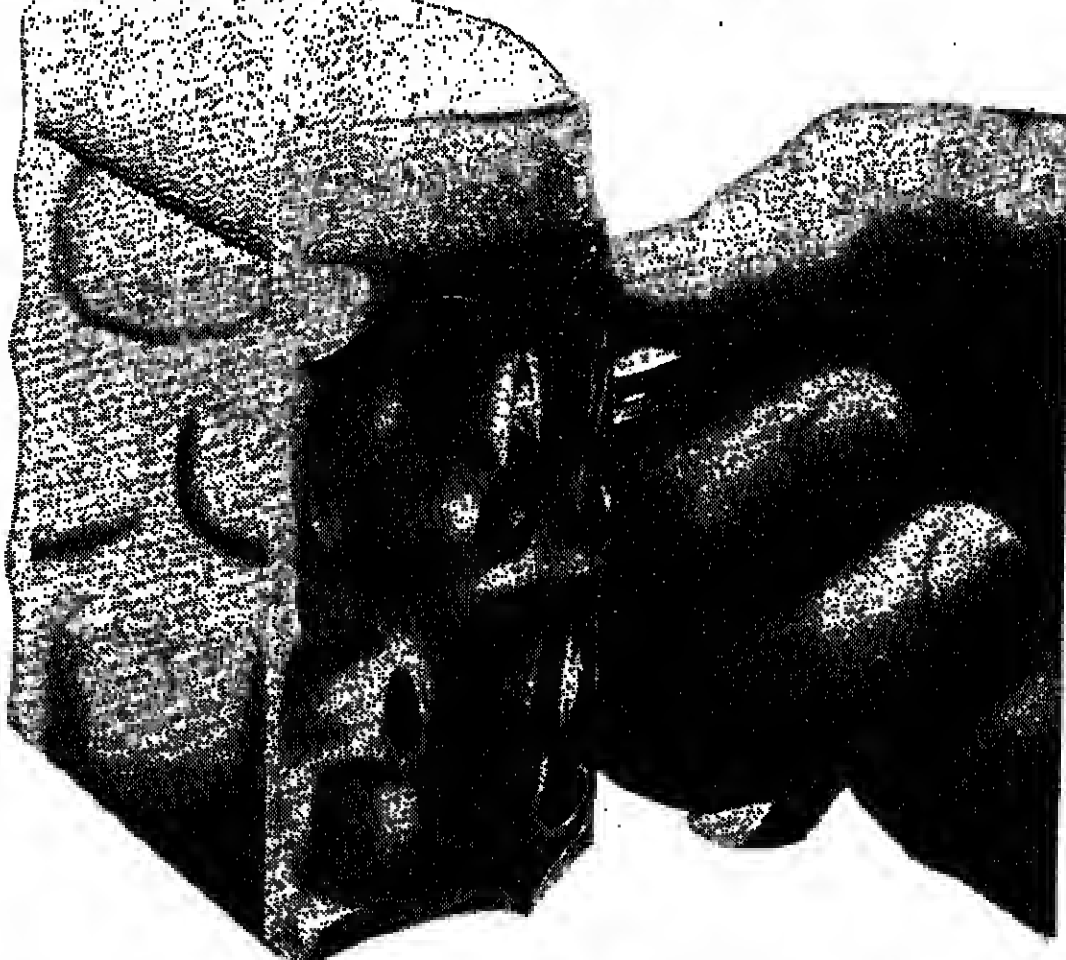
.....

.....

.....

.....

If you're missing Link, you're missing 16.7% of the beer market.



Link is the selling arm for both Yorkshire and Tyne Tees Television.

Clearly these are not markets to be missed, whatever you're selling.

Yorkshire alone accounts for 99% of all ITV homes, while Tyne Tees makes up a further 59%.

Advertisers buying airtime in both regions will reach the biggest market outside London.

A market that accounts for fully one sixth of the total UK population.

And one sixth of consumer spending: a massive £500 million a week.

So if you're looking for volume sales, make sure that Yorkshire and Tyne Tees get their full share of your television advertising budget.

To do just that, call our highly experienced sales team here at Link.

LINK TELEVISION LIMITED

TELEVISION HOUSE, 22 BEDFORD SQUARE, LONDON WC1R 4EJ. TEL: 01-462 8442. FAX: 01-462 8506.

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

LINK TELEVISION LIMITED

TWA to and through the USA

New York 4 flights a day.*

Non-stop widebody service, departs from Heathrow and Gatwick daily.
From £136. TWA also flies to over 50 cities throughout the USA.

See your
TWA
Main Agent

*3 flights on Tues & Wed.

You're going to like us

TWA

هكذا من الأحمال

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
 Telegrams: Finantime, London P54. Telex: 8854871
 Telephone: 01-248 8000

Thursday June 17 1982

How to finance the Chunnel

THE BUILDING of a fixed Channel link is not an idea that sits comfortably with the ideology of the present Conservative Government. Nor does it have much appeal for the Treasury, in whose collective memory the cost of past collaborative adventures such as Concorde lingers on. The report of the Anglo-French study group, which was set up after last year's summit meeting to look at the technical and economic aspects of a fixed Channel link, should at least lay some of these fears to rest.

Phasing

Broadly, the group argues that the balance of advantage as between exclusive reliance on shipping and air transport, bridges, immersed tube tunnels for rail and road traffic and rail tunnels beneath the channel lies with a bored 7 metre twin rail tunnel with a vehicle shuttle. This could be built in phases if finance constraints made phasing desirable. A twin rail tunnel would have about four times the capacity of a single 7 metre tunnel and its viability would require it to achieve a half share of the estimated passenger and freight traffic up to the year 2000.

The case rests partly on an analysis of the economic rate of return on the various schemes. This compared the resource costs of the fixed link options with the costs that would be incurred by the existing ferry and air transport in carrying the forecast link traffic and set out to establish whether the higher capital investment in a Channel link would show an adequate economic return.

Admittedly the results are highly sensitive to uncertain assumptions, particularly those relating to the level of future ferry operating costs and the amount of traffic that would use a fixed link. But the study group concludes that while the ferry services will become more efficient they will not achieve the reductions in unit costs that they claim and will not succeed in reducing tariffs to the extent that they assume. And on the basis of the assumptions in a fairly plausible central case, the group estimates that the economic rate of return on the double seven-metre tunnel with the vehicle shuttle offers a relatively high return which exceeds the return required for public sector investments in other countries.

The longer-shot proposals involving drive-through links show marginally higher returns than the tunnel schemes, but there are much greater uncertainties about feasibility and cost. They would in addition take much longer to get under way. As for the British Rail/SNCF proposal for a small 6 metre rail only tunnel (the so-called "mousehole") the report concludes that the lack of flexibility is such that it would be difficult to finance without transferring an unacceptably high proportion of the risk to the railway undertakings themselves.

The key to the future of a cross-Channel link has always been finance. This did not fall within the direct scope of the report. But it does suggest that any decision to proceed in principle with a fixed link must be subject to the ability of the market to raise money on terms acceptable to both governments. The question is whether it can be done without government guarantees.

The proposal now is that the Government should examine the question in a further study. This should focus on a fundamental chicken and egg problem. Without some broad assurance that both governments will not upset underlying financial assumptions (for example, on pricing) in a project that gives rise to numerous environmental and other problems, financiers can hardly be expected to jump at the fixed link.

Private sector

It is eminently sensible for the Government to put the Channel link to the test in the financial markets. Without unguaranteed private sector finance there is a risk that the project would be under constant threat from a cost-conscious official in the Treasury or Ministry of Finance (with potentially unhappy consequences for Anglo-French relations, among other things). But it is important also to recognise that the project is so big and complex that it cannot be undertaken unless the Government is willing to smooth the path.

In the aftermath of the Anglo-French summit last September Mrs Thatcher showed an uncharacteristic enthusiasm for the Channel link. She should now ensure that the market is given a fair opportunity to reach its own conclusions.

A blind alley in Indochina

YET ANOTHER meeting of the Association of South East Asian Nations has concluded without a new initiative to bring about a withdrawal of the Vietnamese army from Kampuchea. Cushioned by their economic prosperity, which has withstood the onslaught of the world recession better than most, the ASEAN countries are playing a waiting game hoping that Hanoi, weakened by hunger and economic siege, will take the first step towards the inevitable compromise.

They do not doubt that Vietnam will take that step when Mr Nguyen Co Thach, its Foreign Minister, visits Singapore and the Philippines next month. "We can wait" seems to be the attitude among ASEAN's foreign ministers who have just ended a meeting in Singapore.

Deposed

This is probably the right approach, at least until ASEAN hears what Mr Thach has to say. His recent pronouncements, both on the record and privately on his tour of several European capitals earlier this year, suggest that Vietnam is now anxious to find a way out of a situation which is becoming increasingly costly and more difficult to justify to its own people after 35 unremitting years of war. But ASEAN should also be clear about the realities in Indochina, about what it can realistically hope to extract from Vietnam in the way of concessions and what, for Hanoi, are the sticking points which it will hold to at all costs.

The first point to be made is that, three years after Vietnamese troops invaded Kampuchea, deposed Pol Pot and the Khmer Rouge and installed their own man, Heng Samrin, all efforts to dislodge them have failed. The assertion that the Khmer Rouge control vast tracts of Kampuchean territory is fiction. The Khmer Rouge are still troublesome and Heng Samrin would almost certainly falter if he did not have nearly 200,000 Vietnamese troops to bolster him. But the Vietnamese now have the measure of the Khmer Rouge.

The second reality is that the coalition which ASEAN has been painfully trying to forge between the Khmer Rouge and the other two, non-Communist Khmer groups in exile can

never be the basis of a future administration in Phnom Penh. The Kampuchians may not be particularly happy at the presence of Vietnamese troops, but if they are united over one issue, it is in the opposition to Pol Pot who, in four years, devastated their country.

Long-term

Finally it should now be clear that Vietnam will only withdraw the bulk of its troops from Kampuchea when Hanoi's primacy over Indo-China is accepted.

What then can ASEAN do, assuming that it sees a long-term benefit in arriving at a modus vivendi with Vietnam? Its first priority could be to establish the principle that there can be no military solution to the Kampuchean conflict, only a political one. That almost certainly means phasing out ASEAN's support for Pol Pot both on the battlefield and at the UN, support which is becoming increasingly hard to justify if only on moral grounds.

ASEAN could then consider supporting the "vacant seat" formula at the UN in which neither Pol Pot nor Heng Samrin would represent Kampuchea, pending implementation of the resolution which calls for full withdrawal of Vietnamese troops and free elections. The Vietnamese have already indicated they will accept a temporary vacant seat. Lastly ASEAN could try to persuade Peking that an accommodation with Vietnam on terms which safeguard their respective interests will be good for China as well as laying the basis of regional stability.

Alternative

None of this will be easy to achieve, least of all dropping support for Pol Pot whose forces on the Thai border are a constant threat to Thailand's stability. Opposition from China, which has yet to come to terms with Vietnam's new status in the region, is likely to be fierce. It is a process which might take years. The alternative, however, is to pursue a policy which is not only getting nowhere but which also provides Hanoi with the perfect excuse to maintain its troops indefinitely in Kampuchea and create a permanent state of tension in the region.

"I work very hard. When I go home at night my feet ache and I'm absolutely beat. It's not only the work, but the heat and you aren't allowed to drink on the wards. The reaction from your supervisor is 'too bad, if you don't like it, leave'. But I'm not going to leave. I come out to work and I think I should get paid a decent living wage."

Ian Hargreaves discovers why Britain's health workers are in angry mood.

HERE YOU have it: that is what the worsening dispute in the health service is about. The Government says that with 3m people out of work, there would be no shortage of takers for the non-skilled jobs in Britain's hospitals and uses the point to justify a "market" approach to its pay policy. It is also a matter of public relations. The Government has offered 6.4 per cent to the nurses and hinted there may be more to come. But when it comes to ancillary workers—the 500,000 men and women who push trolleys, serve meals, clean floors and keep the books of the nation's hospitals, the Government knows the foe is weak and has offered 4 per cent. Nobody loves an ancillary worker and if the nurses could be made happy, the hospital administrators would be encouraged to bring in volunteers to do some of the jobs. After all, anyone can do these jobs, can't they?

These are the circumstances, or some of them, which have made a militant of Mary McDermott, a strong-featured and tough-minded blonde lady who serves meals and performs other domestic duties in the new wing of St George's Hospital, Tooting.

Divorced from her American husband, who under the laws of the State of New Jersey is not required to pay alimony, Miss McDermott lives with her teenage daughter in part of a small terrace house in the anonymous Victorian backstreets of Wandsworth, which she rents from the Battersea Housing Trust.

Three weeks out of four, her pay slip reads like this: basic pay £54.80; lead-in pay (for productivity-based bonus system which has been under negotiation for several years) (1.50); London weighting £11.23; total gross wage £76.98. Deductions: income tax £7.80; superannuation (which is obligatory) £3.77; national insurance £5.55; staff club and dues to the National Union of Public Employees (NUPE) £0.45. Net pay: £59.41.

In the fourth week, Miss McDermott works a "rot" week, which means she gets to work at the weekend and her net pay is boosted to £70.92.

In addition to her pay, she is entitled to one-parent family child benefit of £8.55 and her daughter, who is doing a catering course at Thames College, gets a student grant of £3.46 per week. So, her total weekly income, averaged out over the month, is £74.21. If she was unemployed and on supplementary benefit, she would probably get about £55 a week with the possibility of other means tested benefits too. Mary McDermott's family is excluded from means-tested benefits because her £74.21 a week is just 22 pence above the official "poverty line" for a family of this type. Some estimates suggest that as many as 400,000 health service workers are on or around this poverty line.

This, she says, is where the



Hospital porter Mick Foster: "matters like hell"

money goes: rent £16; gas (for heating and water) £5; electricity £5; bus fares £4; lunch and coffee at work £4; daughter's college lunches £5; TV rental and licence £4; Burlington mail-order clothing club £5; laundry £2.50; food £15; life insurance £3.40; telephone £4. Total: £77.90. On these figures Mary McDermott is hurt.

The food bill, she thinks, "sounds a lot, but that's what it costs, and we have been cutting down." She shops late night on Fridays at the Wandsworth Armada Centre, shuttling between Tescos and Sainsbury's in the hunt for lower prices.

Her telephone, she agrees, would be considered by some a

The scrape of the moment was the gas bill

luxury, but she wants it for emergencies and the life insurance, "is in case something happens to me, at least my daughter will have something. At least I'll be buried." After a work day from 7 am to 4 pm, she does her housework, reads the Daily Express and watches television. Other entertainment is "absolutely nil." I don't go out because I can't afford it, except for the odd drink with the girls from work. She takes no holidays, apart from occasional day trips, and manages her financial survival through a Barclay's current account, which at the beginning of this week contained £10.52, which is a problem, because she has to find £46 for a television licence which expires this month.

"Unless I cut down on something, which obviously will have to be food, I'll not be able to pay it."

Before that, the scrape of the moment was the gas bill, where a mix-up over a weekly payments arrangement on a £70 bill led to a "brown notice" threat to force entry in order to cut off supply. That "horribly high" bill was racked up in spite of a wintertime ruling in the McDermott household that no heating was to be switched on before 8 o'clock in the evening.

Miss McDermott's other tension is with a daughter, who like most teenagers, does not adapt easily to parsimony. "It causes a lot of arguments and heated words. She can't understand why she should be going out with £1 in her pocket when she has friends who are working."

It would be wrong, however, to create the impression that Mary McDermott, or the other health workers who earn their poverty, flaunt a sense of desperation. Indeed, life below the poverty line in Britain is more about tedium than hunger and more still about a sense of powerlessness to change things and improve your lot as you look ahead.

Here, the overtime argument is crucial. When Miss McDermott arrived at St George's two years ago, overtime could be counted on to finance touches of luxury and self-indulgence, as well as providing a means of earning yourself out of trouble. Since the "winter of discontent" health dispute of 1979, manning levels have been raised in the hospitals—as the Government keeps pointing out—but that has reduced opportunities for

overtime. It is hardly surprising that low paid workers seek both rewards and other satisfactions in the black economy.

"I have been given the chance for overtime three times since Christmas," says Miss McDermott. Other avenues for extra income, like a holiday job for her daughter, have been closed by mass unemployment, "except for those silly YOP schemes." Down at St George's, the Government's Youth Opportunities Programme, which provides work experience for unemployed school leavers for £25 a week, is regarded as cheap labour designed to block the creation of real full-time jobs or overtime. "They bring in the YOP kids to work Saturdays so they don't have to pay us time and a half," she says.

From the other end of the pay spectrum at St George's comes more fuel for the ancillary workers' sense of injustice. According to an allegedly leaked document which has circulated among the kitchens and storerooms where the domestic work, the health service reorganisation in April resulted not only in "fancy new titles" but also pay increases of 60 per cent for some administrators. Amid the humiliating sense of hierarchy common to most British hospitals, it makes little difference whether such stories are true or false. When we're sick and go down to casualty, we get kept waiting for hours, but if a nurse comes, she waits straight in," says Mick Foster, a porter and another NUPE activist at St Thomas's hospital.

Mr Foster, at 20, hardly has the budget tightrope of a Mary McDermott, but he says it

"matters like hell" to him that he cannot afford to leave his family's three-bedroom flat in Lambeth and set up his own place, in part because his income helps to support the rest of the family. His father lost his job when the London Evening News closed two years ago, his mother recently lost her part-time cleaning job and his older sister lost a clerical job when he company relocated outside London. The Fosters also have a daughter still at school.

Marriage coupled with owner occupation is out of the question for even a top grade hospital porter in London, where the average house costs

Everyone comments on the unique degree of co-operation

£30,000 and the maximum mortgage a porter could raise would be around £12,500.

Other cases sound much worse. Jimmy, a tea-machine operator at St George's, who did not wish to be interviewed, has three children and net pay of less than £50 per week. Mrs Joan Gibbins, a domestic in outpatients, shows a payslip for a 40-hour week which has a bottom line of £40.06, which sounds impossible. But she also gets a widow's pension of £30 a week which means she pays £10.06 into income tax, ensuring that she too is part of the great levelling principle which operates in the bottom quarter of Britain's labour market.

It is never easy to judge how far people will carry a fight even one they believe to be just. Everyone comments on the unique degree of co-operation being shown between the various health service unions and they sense support too from their bosses: the hospital management. But many are genuinely worried about the dangers to patients of stepping out of the sector. "We live around here. It could be one of our family in here. We don't want to hurt patients," says Mrs Gibbins.

But if the militancy is hard to gauge, the bitterness is not. "Mrs Thatcher probably spends more in a week on her hair than we earn," says Mrs Gibbins.

Miss McDermott, however, admits to having voted Conservative in the last election because "the country was going downhill. More money was being spent than there was in the kitty and sooner or later there would be none in the kitty."

Mr Norman Fowler, the Health and Social Services Secretary, whose job it is to hold the line on 4 per cent would approve of that argument. But Miss McDermott believes the Government's economic policy "has got to the point where it's dangerous." It is hard to detect anywhere, however, signs that the reputation against Mrs Thatcher's policies is resulting in more popularity for her rivals. "Politicians just don't realise how ordinary people live and what we have to manage on," she says.

Perhaps it is lack of confidence in politicians and in public opinion too which mutates the response when ancillary workers are asked whether they can win this dispute.

At the moment, they are taking the view that the 4 per cent offer is an insult because it is divisive and that it is irrelevant financially. "It will mean an extra 73 pence a week for me," says Miss McDermott, or two days of the recent increase in London bus fares. Actually, that statement relies somewhat on NUPE propaganda, since grade three domestics of which she is one, would get £2.57 gross or £1.56 after stoppages. NUPE knocks off another 70p to allow for the increase in National Insurance rates from April 1, when, technically, the old contract expired, leaving 83p.

As for Mrs Thatcher's argument, that does not cut much ice in Tooting. Increases in transport and gas prices are most often cited as evidence of "real" inflation and it is true that the increase in the retail price index weighted to reflect the mix of goods used by the poorest quarter of the population (as calculated by the Low Pay Unit) rose by 14.4 per cent (against 12.2 per cent for the ordinary RPI) last year.

Men & Matters

Beavering away in Brum

"This scheme has hit the bulls' eye," says the affable John MacGregor, Parliamentary under-secretary at the Department of Industry. The small engineering firms investment scheme, under which entrepreneurs can claim a capital grant of one third of the cost of a project, has had an unprecedented response. Originally allocated £20m and subsequently stretched to £30m the scheme attracted well over 1,700 claimants in just two months.

Queues disrupted the normal tranquility on the seventh floor at Ladywood House, the Birmingham office of the Department chosen to administer the hand-outs: there were 432 applicants on the day the scheme closed.

MacGregor, good-naturedly rebuts suggestions that his department might have been over-generous or too interventionist for a Government pledged to market forces. He points to the boost given to investment and new technology.

The Department deliberately made the criteria and forms for the scheme simple. Unfortunately, around half the claims have still been inadequately returned and civil servants are having to chase around with supplementary questions.

One of the Department's regional directors Cyril Beavor "I have a reputation for being an eager beaver." He jokes—spends 60 hours a week on the scheme. Other civil servants are lending a hand and temporary staff being recruited, but it will be several months before the current backlog has been processed.

On requests for an extension of the scheme, MacGregor says it would be "wrong" to put such an idea in people's minds. But—with caution befitting a

junior minister—he studiously avoids raking it out. The message for anxious applicants in the meantime is "don't call us, we'll call you."

First sitting

One of the world's lesser-known judicial bodies, the Falkland Islands Court of Appeal, surfaced on the Royal Courts of Justice yesterday, to hear a challenge by one of the islanders to his conviction of murder.

There was some doubt among those connected with yesterday's case about whether the court, created by an Order in Council in 1966, had ever sat before.

Yesterday's appeal was presided over by Sir Ainslie Forbes, who has been President of the Courts of Appeal for St Helena, the Falklands and the British Antarctic Territories since 1965 and Gibraltar since 1970.

Sitting with him were Sir Hugh Hurley, a former colonial judge, and Sir Lionel Brett, a former Nigerian Supreme Court judge.

The islands have a courts system not unlike Britain's. At the lower end are the courts of summary jurisdiction, one staffed by lay magistrates, the other being the Senior Magistrate's Court—having the power to impose prison sentences of up to seven years.

Incidentally, the islands have no senior magistrate at present. The last incumbent retired on March 31 and circumstances have prevented the appointment of his successor.

Above the magistrates is the Supreme Court. The judge is Sir Peter Watkins Williams, who lives in England and goes to the islands only for important cases. In his absence the Governor can sit as a judge, or appoint someone else, who is likely to be the court registrar, Mr Raymond Checkley.

Mr Checkley, being the only lawyer in the islands, has a varied life. Not only a solicitor, court registrar and occasional judge, he is also the islands' Registrar General, recording births, deaths and marriages. At the moment he is also the acting Senior Magistrate. (In absence.)

He told me yesterday that there is not a lot of crime among the 1,800 kelpers — "a bit of drunkenness, some road traffic offences and a few minor assaults"—was how he summed it up.

Billet doux

"Madame, you have written to me... I wish to say thank you, and would most like to remain in correspondence with you to exchange our thoughts and prepare the future... Your letters show understanding, but also a deep wound. They are in keeping with what I feel myself...."

These titillating extracts convey the tone of a letter that arrived at the FT's Paris office yesterday. It goes on for three pages, and is signed— "Valéry Giscard d'Estaing."

A wrong address? But no, it is addressed quite clearly to "Madame. The Financial Times." Well, he was always a lady's man, they say.

The same letter has been sent to other potential conquests of the former French President. The less risque passages urge them to take part in a "great preparation effort" to get the centre-right opposition back on the road to power and to put forward "just and reasonable" remedies to the woes of socialism.

In edifying tones, "Giscard" concludes: "Because we will have had to start from the bottom and work in depth, because we will have listened to the aspirations and needs of each one of you, I am confident, fully confident, that from these difficult times a renaissance will spring."

"Thank you again for having written to me. It needed doing."

And Madame The Financial Times? Well if she has written to anybody, she hasn't told Monsieur.

Points of view

The Portuguese Parliament is apparently finding it very difficult to keep its mind on constitutional reforms with the World Cup football games going on next door in Spain.

Just to ensure that the 250 MPs stay in the building to complete the urgent review, colour TV sets have been installed in the parliamentary offices of all eight political parties.

If such measures had not been taken, it was doubly admitted, there would have been severe problems in rushing up a quorum during the afternoon and evening hours when the sporting fair points across the border proves more fascinating than scoring them in the debate.

The Portuguese team did not qualify for the final rounds. But that does not seem to have diminished the avid interest in the contest. All flights from Lisbon to Madrid and other Spanish cities are booked solid for weeks.

At least, says my less-than-enraptured reporter, Portugal does not yet follow the Brazilian custom of letting off fireworks or rockets every time a favoured team scores, sorely frightening not only the four-footed population but foreign correspondents who associate loud bangs with more deadly events.

Filled?

For those who have yet to learn which side of their bread is buttered... Oxford Polytechnic is running a sandwich course in hotel catering.

Observer

THE FAMOUS GROUSE
 FINEST SCOTCH WHISKY
 THE SCOTCH WHISKIES BLENDED & BOTTLED BY
 Matthew Grogan & Son Ltd.
 Perth, Scotland
 PRODUCED IN SCOTLAND

The exception that could prove to be your rule.

Quality in an age of change.

U.S. ANTI-TRUST POLICY

The all-purpose merger gauge

By Anatole Kaletsky in Washington

HARDHEADED practical men in Europe will no doubt sneer at the new guidelines on merger policy issued on Monday by the U.S. Justice Department. In Britain, particularly, people balk at the idea of turning a vague concept such as market power into a single, unambiguous statistic.

It would be hard to imagine politicians and civil servants in Britain voluntarily giving up their power to make subjective judgments about an important subject like whether or not to permit a merger — and still harder to imagine the politicians' discretion being replaced by the dictatorship of the statistician.

Imagine a politician telling a trade union delegation that as employer cannot be protected from a predatory take-over because the squares of the market shares in his industry add up to less than 1,000. Yet in this U.S. this figure will, from this week onwards, become the basis for making judgments affecting thousands of jobs as well as millions of dollars.

In Britain the Justice Department's new merger guidelines would be denounced immediately as a boffin's charter. In fact, however, their purpose is to take work away from the lawyers, bankers, analysts, and assorted other experts who thrive on uncertainty about any government's approach to mergers.

The main point of publishing the new rules is to give businesses the opportunity to pursue profitable and competitively innocuous mergers with greater confidence than before. The Justice Department says that the new rules do not alter existing policy. They merely codify it and indicate regions of "safety" in which companies can operate without looking over their shoulders for the Justice Department to pounce.

Of course, under the U.S. anti-trust system, it is not for the Justice Department alone to determine which mergers are challenged in the courts. Individuals and companies can bring private prosecutions (and often do, in the case of companies fighting unwelcome suitors). Furthermore, the Federal Trade Commission sets its own independent anti-trust policies. The FTC indicated on Monday, however, that it would follow criteria broadly similar to those the Department laid down.



In removing uncertainty, the Justice Department was unwilling to return to the guidelines published in 1968, which gave relatively simple statistical rules for deciding whether a horizontal merger between two companies in the same market would be challenged.

For example, if the four biggest companies controlled 75 per cent of the market, the Justice Department said it would even challenge mergers between two companies with market shares of 4 per cent each.

At times such mergers could increase competition, rather than reducing it. For example, two very small companies in a market dominated by giants needed to team up in order to survive. As a result of

anomalies like this the 1968 merger guidelines fell rapidly into disuse. There was a further, deeper problem, about the 1968 rules, says the Assistant Attorney General for Anti-trust policy, Mr. William Baxter. They were far too vague about defining the markets in which merging companies operate.

If there are only two companies making red pencils in Ohio, for example, a merger would create a monopoly. But does this matter if there are 10 other companies which make red pencils in Indiana or blue pencils in Ohio, each of which could be added into the new monopolies market if it raised prices or otherwise abused its power? Such questions arise frequently in merger policy—for example, when Mobil Oil last year it had to promise to sell off oil refineries in the Detroit area, where the two companies had a much higher market share between them than they had in the U.S. as a whole.

Thus, before it gets to the new quantitative merger guidelines, the 44-page document issued on Monday by the Justice Department discusses how the relevant market is to be defined. Without this definition "the rest is meaningless," Mr. Baxter warns.

Geographical location, transportation costs, availability of other products with similar applications are all taken into account. Behind the analysis

market share (for example a 70 per cent share would give a square of 4900) and adds up all these squares. In the first example, the HHI would be 4,900 (4,900 plus 30 times one). In the second market it would be 1,620. (The square of 20 is 400. Thus the four firms with market shares of 20 each add up to an HHI of 1,600. The other 20 firms with market shares of one per cent each, add 20 points to the HHI.)

The department divides all markets into three groups on the basis of the HHI. An unconcentrated market has an HHI of 1,000 or less. If, for example, there are ten companies with 10 per cent market shares each, the HHI would be 1,000. Any mergers which create markets with an HHI of less than 1,000 are "unlikely to be challenged."

A highly concentrated market has an HHI of 1,800 or more. Any market in which two companies each have shares of over 30 per cent falls into this group. In such a market mergers which increase the HHI by more than 100 points are "likely" to be challenged, while mergers producing increases of less than 50 points would normally be allowed. Because of the way the HHI is calculated this permits two small companies (that is with market shares of less than 5 per cent each) to get together even in a "highly concentrated market." But it prevents any significant acquisitions by the dominant firms. A firm with a 50 per cent market share would boost the HHI by more than 100

and examples there is a single unifying idea. A relevant market is one which could, in principle, be profitably monopolised.

Once the market is defined, the next step is to look at the way it is split up between companies. This is where the most novel feature of the new approach comes in—an index of market concentration known as the Herfindahl-Hirschman Index (HHI) after the two statisticians who devised it. Economists have argued for some time that this gives a better reflection of market power than the simpler statistics normally used by government.

Instead of merely measuring the share of the market held by the top four companies, in the manner of the 1968 guidelines (and of anti-trust authorities in many other countries) the HHI takes into account the dispersion of market power for all companies in the market, large and small (see panel).

The Justice Department believes that this computation provides a much better reflection of the true competitive conditions in a market than the old four-company concentration. With this more sophisticated tool, anti-trust officials believe they will be able to avoid the pitfalls and anomalies which rapidly made the 1968 guidelines obsolete.

The department divides all markets into three groups on the basis of the HHI. An unconcentrated market has an HHI of 1,000 or less. If, for example, there are ten companies with 10 per cent market shares each, the HHI would be 1,000. Any mergers which create markets with an HHI of less than 1,000 are "unlikely to be challenged."

A highly concentrated market has an HHI of 1,800 or more. Any market in which two companies each have shares of over 30 per cent falls into this group. In such a market mergers which increase the HHI by more than 100 points are "likely" to be challenged, while mergers producing increases of less than 50 points would normally be allowed. Because of the way the HHI is calculated this permits two small companies (that is with market shares of less than 5 per cent each) to get together even in a "highly concentrated market." But it prevents any significant acquisitions by the dominant firms. A firm with a 50 per cent market share would boost the HHI by more than 100

even if it took over another firm with a share of only 1 per cent.

The new guidelines were used earlier this week when the Department blocked a bid by Heileman Brewing, with 7.8 per cent of the beer market, for Pabst, with a 7.4 per cent share. It found that this would increase the HHI by 12 points from 1,722 to 1,834.

Between the unconcentrated and the highly concentrated markets lies the inevitable grey area: the "moderately concentrated" zone with HHI of between 1,000 and 1,800. In such markets other, more subjective criteria come into play. The guidelines give a long list and explanation of such factors as ease of entry, availability of substitutes, and evidence of collusive arrangements.

Even in such cases, however, alleged efficiencies resulting from a merger are unlikely to cut much ice. U.S. anti-trust law has a long tradition of scepticism on this point. "Plausible efficiencies are far easier to allege than to prove," the guidelines say. "Except in extraordinary cases, the Department will not consider a claim of specific efficiencies as a mitigating factor for a merger that would otherwise be challenged."

Unfortunately on "non-horizontal" mergers—between companies in different industries or markets (including foreign companies taking over American ones), uncertainty about merger policy is much harder to overcome. But one misconception the guidelines do clear up is the idea that the Reagan administration is completely permissive about such mergers. Because they involve companies in unconnected industries they cannot be attacked on the simple anti-trust criterion of increasing market concentration.

In its early days the Reagan administration was critical of the "creative lawyering" used by previous anti-trust enforcers to find new theories for attacking such mergers. When a takeover of the oil company Conoco by the chemical giant Du Pont went unchallenged last year, there was a widespread belief that all such non-horizontal mergers might be safe.

The guidelines state that "although non-horizontal mergers are less likely than horizontal mergers to create competitive problems, they are not invariably innocuous."

Lombard

How W. Germans see detente

By Jonathan Carr in Bonn

AFTER THE snow of reassuring statements, declarations and position papers which fluttered down from the Nato summit conference in Bonn, at least two question marks remain. Would the West Germans really stand and fight if it came to an East-West showdown? And will the U.S. really negotiate seriously with the Russians on weapons cuts?

It is hard to believe that the first question did not flash into President Ronald Reagan's mind during his visit to Bonn and West Berlin. True, recent opinion polls show the majority of West Germans are not anti-American. But to the President it must have seemed a discouragingly large minority (300,000 or so) which turned up in Bonn to demonstrate against him.

The West Berliners have long shown steadfastness in a harsh situation. But must he, the President of the U.S., the main guarantor of the freedom of the city, be whisked about for the most part by helicopter because of fears of attack on the ground? Mr. Reagan would scarcely have been human if he had not, even fleetingly, compared his treatment in West Berlin (despite the warm words of the governing mayor) with that given John F. Kennedy there two decades earlier.

Perhaps Mr. Reagan may also have heard the little riddle going the rounds in Bonn during the Nato gathering. What is the difference between "detente" and "genuine detente"? Answer: "detente" is what benefits the West Germans and points East. "Genuine detente" is what the rest of the Western Alliance is still hoping for. It is a bitter observation. But if there are no such fears about the Germans within the Alliance, then what was the word "genuine" doing before "detente" in the final declaration?

There is only one sure way to find out whether the West Germans would stand and fight in an East-West crisis—and it is hardly one which anybody would care to see tested. The charitable, but I think also the just, answer is that the Germans gained such a deep sympathy towards armed conflict of any kind,

anywhere, after two world wars, that they feel impelled to treat the Soviet superpower with special caution since they are, in effect, living on its borders; and that they have a special stake in close contacts with the East above all because of their divided country.

All that said, it would surely be as unwise to underestimate the German will to resist aggression as it was foolish of General Galtieri to believe—apparently—that the British would not be ready to use force to recover the Falkland Islands if other means failed.

So far—so reassuring! But even if the West Germans would resist armed attack, are they also ready to make the extra sacrifices which may be needed to restore an East-West nuclear balance? Specifically, would they really be prepared to have American-built intermediate-range nuclear missiles deployed on their territory (which is already packed with nuclear weapons of many kinds) from the end of next year, if superpower talks in the meantime come to nothing?

That brings us to the second question about whether the U.S. will negotiate with Moscow in good faith—and, at least as important, be seen to do so. If it could be made absolutely clear to the West German people that a failure in the Geneva talks was wholly the fault of the Soviet side, that Washington had negotiated firmly but fairly while Moscow had stalled and blustered, then deployment would go ahead. It would be accepted by the Germans with heavy hearts and foreboding—and probably with demonstrations which would make the current turn-outs look puny by comparison. But the missiles would come.

The problem is: could Moscow's responsibility for failure be made plain to a public baffled by the jargon of the arms race and bound to be subject to a Soviet propaganda blast of unequalled strength and scope? The Americans, like the Germans with their "Ostpolitik," have a credibility gap. They now bear a fateful responsibility not just, as Mr. Reagan says, to "negotiate and negotiate and negotiate" but to explain over and over again what they are doing and why.

HOW THE NEW U.S. MERGER INDEX WORKS

THE HERFINDAHL-Hirschman Index, just adopted by the U.S. Justice Department, gives a very different view of market power than the measuring device it supersedes—the four-firm concentration ratio.

The concentration ratio measures the share of a market held by its four leading companies. This can produce some curious results.

For example, a market in which one company controls

70 per cent and overshadows 30 firms with 1 per cent each is probably less competitive than a market in which there are four firms with 20 per cent each, plus 20 small firms with one per cent each. Yet the market share of the top four firms is lower in the first case (73 per cent) than in the second (80 per cent).

The HHI gives a markedly different result. It takes the square of each company's

market share (for example a 70 per cent share would give a square of 4900) and adds up all these squares. In the first example, the HHI would be 4,900 (4,900 plus 30 times one). In the second market it would be 1,620. (The square of 20 is 400. Thus the four firms with market shares of 20 each add up to an HHI of 1,600. The other 20 firms with market shares of one per cent each, add 20 points to the HHI.)

Letters to the Editor

Selling-off publicly owned land: reserves needed

From the Managing Director, Commercial Relocation Consultants

Sir—I was interested to read (June 11) that it is the Government's intention to dispose of large amounts of publicly owned land.

In all locations the relevant Government body should reserve one-third of the total holding for sale to user industries while disposing of two-thirds in the usual way to developers. This would allow speculative development to proceed thereby providing advance space for companies which need

to expand quickly, but which do not have particularly unusual requirements.

The remaining third would be held in reserve for companies whose policy it is to acquire only freehold property, and those whose property is of special operational design and involves, for example, low site density with a high proportion of external paved areas.

It is very difficult for developers to make a profit on schemes of abnormally low site coverage combined with unusually high building costs, so it is better for the economy as

a whole if these companies are given the opportunity of developing their own "oddball" properties without which they cannot expand.

If disposal of Government-owned land takes place without such control, then once all the land is in the possession of developers the company with the very unusual specification requirement, or the one which must have freehold, has lost once and for all the opportunity to grow within the UK.

M. J. Pritchard, 9 High Street, Marlow, Bucks.

Contents of the Honours List

From Mr A. Lester, QC

Sir—The Queen's birthday awards give symbolic recognition to the public service of outstanding individuals in our society. Unfortunately, this year's list suggests that the Prime Minister and her colleagues and advisers seriously underestimate the contributions made by black and brown Britons and by women in this country.

On my rough count of the Prime Minister's list only one of over 630 has an Asian surname. Of course surnames are inconclusive, but there may well be no one else in the list who is of Asian or Caribbean origin. Certainly no one is specifically honoured for services to race relations.

As regards the treatment of women on the list, my count is as follows:

	Men	Women
Life Peer	2	1
Companion of Honour	1	—
Privy Counsellor	3	—
Knight Bachelor	29	—
Order of the Bath	1	—
GCMB	1	—
KCB	3	—
CB	19	—
Order of St Michael and St George	2	—
CMG	2	—
Order of the British Empire	83	8
CBE	144	30
OBE	212	101
MBE	—	—

Total 490: 140. There are three DBEs, including the fabulous Kiri Te Kanawa, from the Commonwealth, but none from this country. Our Parliament contains only two members of Asian and Caribbean origin, both of whom are in the Lords. Women are grossly under-represented in the Commons. It is therefore particularly regrettable that the Government has not taken the opportunity to begin to redress

this unfair imbalance by appointing qualified Life Peers. The unequal treatment of women and ethnic minorities in the Prime Minister's list justifies their unequal position in the Civil Service, industry and commerce; partly, but by no means wholly. There are thousands of women and black and brown Britons who deserve public recognition.

Anthony Lester, 2 Rare Court, Temple, E.C.4.

Tools of the trade

From the National Secretary, United Commercial Travellers' Association Section, Association of Scientific, Technical and Managerial Staffs

Sir—Kenneth Gooding in your "Executive cars" supplement (June 15) acknowledges that there are some employees for whom a company-provided car is not a "perk." I will tell you who they are.

This association continues to make direct approaches to the Chancellor of the Exchequer about the inequity of this tax for sales representatives for whom the car is certainly a tool of the trade. These levels are overdue for review, and the tax is too high.

Britain's sales representatives who play an important part in the chain of production and distribution in this country are employed in an extremely dangerous work place—Britain's fast collapsing road system—and after 30,000 miles a year of hard business driving are not looking for week-end joy-riding. No other group of employees is taxed for using their employer's plant and machinery with which they do their job.

Sales representatives' expenses of operation are incurred solely at the requirement of their employers in the conduct of their businesses and are, therefore, completely outside the control of the sales representatives themselves.

Despite this, these expenses are included by the Inland Revenue in the calculations which decide whether a sales representative pays the tax or not. We are seeking a meeting with the Chancellor of the Exchequer to argue the unassailable case for the removal of this anomaly.

The Chancellor of the Exchequer in seeking to tax company directors and higher paid employees for the use of company cars as a "perk" still continues to ignore the fact that sales representatives are neither company directors, higher paid employees, nor is their company car provided for the purpose of avoiding income tax. The battle continues.

R. Tomlinson, ASTMS, Berton Lane, Knutsford, Cheshire.

Traded options speculators

From Mr E. Holthead

Sir—Lex (June 15) comments that the number of speculators in the Traded Options market is woefully inadequate.

As an amateur option player, may I respectfully suggest that this is not due to a lack of publicity and education, but to the odds being heavily in favour of the writers (insurance companies and investment trusts), with time on their side.

Of course, there are huge profits to be made when the speculator gets it right, as with any futures market. The problem, compared with the other markets, is the cost of being wrong, due to the relatively large dealing costs and jobbers' spreads making it almost impossible to stop losses at an acceptable level.

I suppose the answer is to be right every time, any suggestions will be gratefully received.

E. N. Holthead, 12b Station Road, West Bank, Lancaster.

The ruin of Lebanon

From Mr M. Ariell

Sir—I found the logic of your editorial "The ruin of Lebanon" (June 9) hard to follow.

To take Israel's recent action in Lebanon as a benchmark for Jerusalem's imputed policy regarding the West Bank is highly speculative. After all, Israel's assault is easier to justify under the UN Charter as "self-defence" than Britain's recapture of the Falklands. At least in Israel's case, Israeli civilians have been constantly at risk from PLO shelling, something which could hardly be said of the British passport holders on the Falklands.

Furthermore, to allude to Israel's attack as a reason for Lebanon's ruin is far-fetched. With over 100,000 dead in a civil war, which has been raging since 1975, with 30,000 Syrian troops on its soil and a dozen-or-so private armies, poor Lebanon's sovereignty is a highly intangible noun. If Israel's forceful campaign brings the Palestinians to power, and enables a Lebanese element to re-establish law and order in that beleaguered country, and causes the Syrian troops and the PLO irregulars to move out, why should it be taken as the country's ruin? And how would you describe its condition last month?

M. Ariell, South Eaton Place, Belgrave, SW1.

Costs of clearing cheques

From Mr A. Whalley

Sir—I am indebted to Mr Fraser (June 5) for explaining that the widely quoted cheque clearing costs of 40-50p for the major clearing banks covers the costs of both banks involved in a transaction.

Early in 1978 the major clearing banks charged about 15p for clearing a cheque. Inflation in line with the RPI suggests a current charge of about 25p. Yet customers are being asked to pay 50p.

It appears that until recently customers were expected to pay only their own bank's clearing costs. Now, however, they are expected to pay the costs of two banks. In this way the banks are collectively imposing a price increase worth perhaps half a billion pounds a year. Would it be impertinent to ask what additional benefit the customers receive for all this additional money?

Anthony Whalley, 27 Clarence Road, Windsor, Berkshire.

LIMITED EDITION

A Limited Quantity of Business Week International (Required Reading for Business and Government Leaders Around The World) Is Now Available At The Following Kiosks:

ADAMS Street Pitch Outside Knightsbridge Underground Station

GRILLIA 18 Palace Gate

CUMBERLAND HOTEL Marble Arch

HILL Corner of Lombard Street and Gracechurch Street

MAY FAIR HOTEL Berkeley Street

MORONI 68 Old Crompton Street

MOUNT ROYAL HOTEL Marble Arch

NEWS KIOSKS Carlton Tower Hotel Cadogan Place

NEWS KIOSKS London Hilton Hotel Park Lane

NEWS KIOSKS White House Albany Street

NEWS KIOSKS Churchill Hotel Portman Square

NEWS KIOSKS Kensington Hilton Hotel Holland Park Avenue

NEWS KIOSKS Tower Hotel St. Katherine's Way

NEWS KIOSKS Intercontinental Hotel Hyde Park Corner

NSS NEWSAGENTS Weighhouse Street

PICADILLY HOTEL

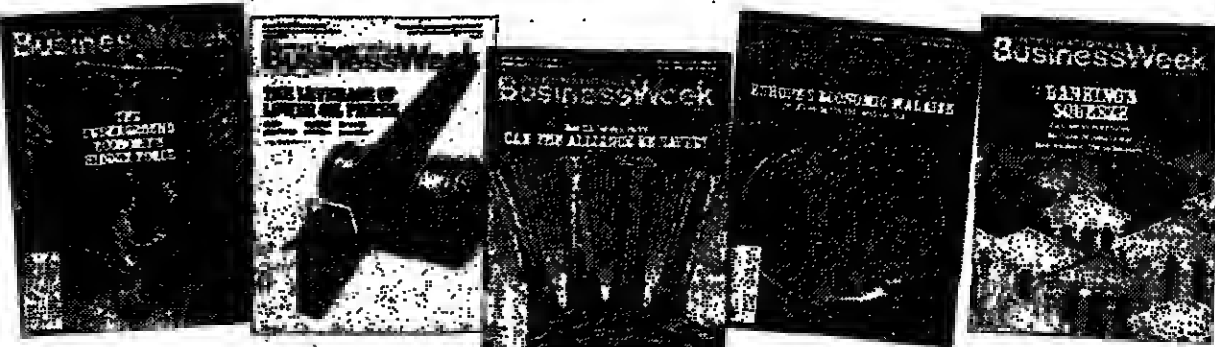
RADFORD 145 Fleet Street

SELFRIDGES Oxford Street

WILLIS 28 Lime Street

And Selected Outlets of W.H. SMITH and JOHN MENZIES.

Complement Your Local Information Sources With An Interpretation Of World Business Events More In Demand Than Ever.



Business Week International, read by over 100,000 chief executives, senior management and other executives in 12 European countries. Source: Pan European Survey II.

FOLLOW THE LEADERS.

INTERNATIONAL BusinessWeek The worldwide business weekly



Companies and Markets

COMMODITIES AND AGRICULTURE

EEC may challenge U.S. sugar quotas

BY LARRY KLINGER IN BRUSSELS

THE U.S. emergency sugar import restrictions and quota scheme may be challenged by the EEC at the Council for the General Agreement on Tariffs and Trade (GATT).

While senior trade officials emphasized in Brussels yesterday that discussions among the EEC's ten member-states were still in preliminary stages, the European Commission, encouraged by export-oriented France, is expected to present proposals calling for a GATT ruling against the U.S. measures for allegedly disrupting further an already severely depressed world sugar market.

The U.S. which yesterday announced the level of its emergency import quotas for the third quarter of this year, is treating the EEC's challenge as an unconfirmed rumour.

"We have yet to be notified that the talks are a hoax," said one official in Brussels yesterday, "and therefore do not feel able to comment."

The Reagan Administration

recently reintroduced the quota system, limiting imports to 198,000 tonnes from May 11 to June 30, and yesterday decided on an extension of the programme to 331,000 tonnes for the July-September quarter. No unused quota from the current quarter will be carried over.

It was also understood that the Administration intends to make the system permanent on an annual basis from October 1 with yearly imports initially restricted to around 3m tonnes. President Reagan said in May that the reintroduction of quotas had become necessary to prevent massive imports that could damage the sugar industry and cost the Administration \$400m. The U.S. Government must buy up surplus sugar if domestic prices do not reach a guaranteed minimum level.

The U.S. is also expected to continue to press its GATT case and cost the Administration \$400m. The U.S. Government must buy up surplus sugar if domestic prices do not reach a guaranteed minimum level.

the cost of exporting surplus production and the GATT Council's recent refusal to continue to discuss similar Australian complaints.

U.S. officials maintained yesterday that substantial export subsidies would remain in force because EEC rebates would only be clawed back from the producer at a later date, and that any deficit in the scheme after the full producer tax was applied would be carried over to the next year.

Our Commodities Staff writes: News of the new U.S. import allocation tended to depress the market as traders had been anticipating a figure of around 545,000 tonnes. The October position on the London futures market ended \$1.25 down at \$106.075 a tonne.

In Brussels the EEC Commission granted export licences covering 23,000 tonnes of white sugar and 12,000 tonnes of raws at its regular weekly tender.

Our Commodities Staff writes: News of the new U.S. import allocation tended to depress the market as traders had been anticipating a figure of around 545,000 tonnes. The October position on the London futures market ended \$1.25 down at \$106.075 a tonne.

Record Australian wheat crop hopes

By Michael Thompson-Noel in Sydney

RECORD shipments of wheat were achieved by Australia in the first half of the current shipping year, according to the Australian Wheat Board in Melbourne. It said yesterday that 7.59m tonnes were shipped in the six months to May 31, against the previous record of 7.4m tonnes in the December-May period 1980.

May shipments totalled 1.45m tonnes, following 1.48m tonnes in April and 1.66m tonnes in March.

The achievement has in large part restored the country's reputation as a reliable supplier of grain, following shipping delays earlier this year, caused by maritime and waterfront disputes.

Although the Australian export programme is still approximately 900,000 tonnes behind schedule, total exports are expected to reach 13.5m to 14m tonnes by the end of the year. The board hopes to average at least 1m tonnes in wheat shipments for the rest of the year. Australia's main wheat markets are Japan, China, Iran, Egypt, and the USSR.

BRAZILIAN COFFEE

At the mercy of the frost

BY A CORRESPONDENT

EVER SINCE the disastrous frost of July 1975 there has been an annual outburst of excitement in the coffee market over the prospects of damage to the Brazilian crop.

From May to August each year the fluctuations of the temperature produce fears for the crop or relief if the danger passes.

The powerful influence of the experience of 1975 on the coffee market raises the question as to what causes such damaging frosts. To understand this capricious behaviour we need to know something about the way in which weather systems move in the Southern Hemisphere. The very different distribution of land and sea over the two halves of the globe means that they follow distinctly differing patterns.

In the Northern Hemisphere the mixture of oceans and continents with a large proportion of land at mid- and high altitudes results in the weather systems following meandering paths. In any year these can get stuck in different positions. This means that in winter these snaking movements can lead to prolonged spells of extreme weather which produce marked variations from year to year.

In the Southern Hemisphere the cold core of Antarctica, surrounded by almost unbroken

oceans produce a simpler pattern. It results in a very strong, almost circular motion which spreads cold air to lower latitudes than in the north.

But the uniformity of motion means only rarely do systems follow unusual courses for any length of time.

The one place where such anomalies may sometimes occur is over South America. Here the barrier of the Andes can divert the vigorous circumpolar circulation. This means that every now and then during the austral (southern) hemisphere winter, cold Antarctic air masses can be swept northwards across Argentina towards Brazil. They can be carried deep into the Amazon basin, drift harmlessly out into the South Atlantic, or score a direct hit on the coffee trees.

The intensity of the frosts depends not only on the path followed by the cold air masses but also their central pressure and the speed with which they move. The pressure is a measure of how much cold air is present in the anticyclone. The speed of movement affects how much the system warms up before it reaches Brazil.

Slow moving systems will warm up considerably, but if sufficiently intense will still contain cold dry air aloft. This can produce rapid cooling at night, especially in the upland areas

where coffee is produced. Because the coffee conditions are so favourable, the frosts they are known as "white" frosts.

Much more dangerous are the faster moving high pressure systems which can combine freezing temperatures and high winds. Because of the winds, no time is formed and these are known as "black frosts". It was an extreme version of these conditions with temperatures as low as -5C in the coffee producing areas which wreaked such havoc in July 1975.

Another important question is whether such frosts have become more common. It can be argued that damaging frosts are a regular feature of the local climate. In the early decades of this century notable frosts occurred every five years. In both 1953 and 1963 about half the crop was destroyed.

In recent years the incidence of frosts may have increased. Apart from 1975 there were serious setbacks in 1969, 1972 and last year as well as less dramatic events in 1978 and 1979. Possibly more significant is that as the region of production has moved southwards the frosts seemed to have followed into areas which were previously thought to be free of frost.

These shifts could be due to natural causes or the activities of man. As is natural, there is little evidence that the increase in frosts is the result of climatic cooling in the Southern Hemisphere.

On the contrary, the available data suggests a warming. Indeed in the past two decades the extent of the Antarctic ice sheet has been reduced by as much as 100,000 sq km. As for the impact of man, it is debatable whether or not deforestation and changes in land use have led to a northward advance of the frosts. Also changes in methods of growing have made the coffee trees more vulnerable to frost. Clearly such changes could have an effect at the local level, but it is much less obvious that they could result in climatic shifts over distances of the order of hundreds of miles.

What is certain is that as a general observation, the records of frosts in Brazil show almost anywhere in Brazil a shift of 20°C. Ironically, occasional bouts of cold weather, short or long, help to stimulate the flowering of coffee trees. The variability of Brazilian weather has in many years contributed to the success of its coffee industry.

Stockpile silver decision soon

BY NANCY DUNNE IN WASHINGTON

THE COMMITTEE appointed by the Reagan Administration to study the sale of silver from the U.S. strategic stockpile is awaiting an analysis by the Federal Emergency Management Agency (FEMA) which is re-evaluating the government's need for emergency supplies of silver.

If FEMA, as expected, declares the stockpile still has too much silver, the committee is likely to recommend that silver sales be resumed — in one form or another.

Congress last year approved the sale of 105.1m troy ounces of silver between 1982 and 1984. North Sea Forties, 1982-1984, African/Gony U/W 1985-1986, 1987-1988, 1989-1990, 1991-1992, 1993-1994, 1995-1996, 1997-1998, 1999-2000, 2001-2002, 2003-2004, 2005-2006, 2007-2008, 2009-2010, 2011-2012, 2013-2014, 2015-2016, 2017-2018, 2019-2020, 2021-2022, 2023-2024, 2025-2026, 2027-2028, 2029-2030, 2031-2032, 2033-2034, 2035-2036, 2037-2038, 2039-2040, 2041-2042, 2043-2044, 2045-2046, 2047-2048, 2049-2050, 2051-2052, 2053-2054, 2055-2056, 2057-2058, 2059-2060, 2061-2062, 2063-2064, 2065-2066, 2067-2068, 2069-2070, 2071-2072, 2073-2074, 2075-2076, 2077-2078, 2079-2080, 2081-2082, 2083-2084, 2085-2086, 2087-2088, 2089-2090, 2091-2092, 2093-2094, 2095-2096, 2097-2098, 2099-2100, 2101-2102, 2103-2104, 2105-2106, 2107-2108, 2109-2110, 2111-2112, 2113-2114, 2115-2116, 2117-2118, 2119-2120, 2121-2122, 2123-2124, 2125-2126, 2127-2128, 2129-2130, 2131-2132, 2133-2134, 2135-2136, 2137-2138, 2139-2140, 2141-2142, 2143-2144, 2145-2146, 2147-2148, 2149-2150, 2151-2152, 2153-2154, 2155-2156, 2157-2158, 2159-2160, 2161-2162, 2163-2164, 2165-2166, 2167-2168, 2169-2170, 2171-2172, 2173-2174, 2175-2176, 2177-2178, 2179-2180, 2181-2182, 2183-2184, 2185-2186, 2187-2188, 2189-2190, 2191-2192, 2193-2194, 2195-2196, 2197-2198, 2199-2200, 2201-2202, 2203-2204, 2205-2206, 2207-2208, 2209-2210, 2211-2212, 2213-2214, 2215-2216, 2217-2218, 2219-2220, 2221-2222, 2223-2224, 2225-2226, 2227-2228, 2229-2230, 2231-2232, 2233-2234, 2235-2236, 2237-2238, 2239-2240, 2241-2242, 2243-2244, 2245-2246, 2247-2248, 2249-2250, 2251-2252, 2253-2254, 2255-2256, 2257-2258, 2259-2260, 2261-2262, 2263-2264, 2265-2266, 2267-2268, 2269-2270, 2271-2272, 2273-2274, 2275-2276, 2277-2278, 2279-2280, 2281-2282, 2283-2284, 2285-2286, 2287-2288, 2289-2290, 2291-2292, 2293-2294, 2295-2296, 2297-2298, 2299-2300, 2301-2302, 2303-2304, 2305-2306, 2307-2308, 2309-2310, 2311-2312, 2313-2314, 2315-2316, 2317-2318, 2319-2320, 2321-2322, 2323-2324, 2325-2326, 2327-2328, 2329-2330, 2331-2332, 2333-2334, 2335-2336, 2337-2338, 2339-2340, 2341-2342, 2343-2344, 2345-2346, 2347-2348, 2349-2350, 2351-2352, 2353-2354, 2355-2356, 2357-2358, 2359-2360, 2361-2362, 2363-2364, 2365-2366, 2367-2368, 2369-2370, 2371-2372, 2373-2374, 2375-2376, 2377-2378, 2379-2380, 2381-2382, 2383-2384, 2385-2386, 2387-2388, 2389-2390, 2391-2392, 2393-2394, 2395-2396, 2397-2398, 2399-2400, 2401-2402, 2403-2404, 2405-2406, 2407-2408, 2409-2410, 2411-2412, 2413-2414, 2415-2416, 2417-2418, 2419-2420, 2421-2422, 2423-2424, 2425-2426, 2427-2428, 2429-2430, 2431-2432, 2433-2434, 2435-2436, 2437-2438, 2439-2440, 2441-2442, 2443-2444, 2445-2446, 2447-2448, 2449-2450, 2451-2452, 2453-2454, 2455-2456, 2457-2458, 2459-2460, 2461-2462, 2463-2464, 2465-2466, 2467-2468, 2469-2470, 2471-2472, 2473-2474, 2475-2476, 2477-2478, 2479-2480, 2481-2482, 2483-2484, 2485-2486, 2487-2488, 2489-2490, 2491-2492, 2493-2494, 2495-2496, 2497-2498, 2499-2500, 2501-2502, 2503-2504, 2505-2506, 2507-2508, 2509-2510, 2511-2512, 2513-2514, 2515-2516, 2517-2518, 2519-2520, 2521-2522, 2523-2524, 2525-2526, 2527-2528, 2529-2530, 2531-2532, 2533-2534, 2535-2536, 2537-2538, 2539-2540, 2541-2542, 2543-2544, 2545-2546, 2547-2548, 2549-2550, 2551-2552, 2553-2554, 2555-2556, 2557-2558, 2559-2560, 2561-2562, 2563-2564, 2565-2566, 2567-2568, 2569-2570, 2571-2572, 2573-2574, 2575-2576, 2577-2578, 2579-2580, 2581-2582, 2583-2584, 2585-2586, 2587-2588, 2589-2590, 2591-2592, 2593-2594, 2595-2596, 2597-2598, 2599-2600, 2601-2602, 2603-2604, 2605-2606, 2607-2608, 2609-2610, 2611-2612, 2613-2614, 2615-2616, 2617-2618, 2619-2620, 2621-2622, 2623-2624, 2625-2626, 2627-2628, 2629-2630, 2631-2632, 2633-2634, 2635-2636, 2637-2638, 2639-2640, 2641-2642, 2643-2644, 2645-2646, 2647-2648, 2649-2650, 2651-2652, 2653-2654, 2655-2656, 2657-2658, 2659-2660, 2661-2662, 2663-2664, 2665-2666, 2667-2668, 2669-2670, 2671-2672, 2673-2674, 2675-2676, 2677-2678, 2679-2680, 2681-2682, 2683-2684, 2685-2686, 2687-2688, 2689-2690, 2691-2692, 2693-2694, 2695-2696, 2697-2698, 2699-2700, 2701-2702, 2703-2704, 2705-2706, 2707-2708, 2709-2710, 2711-2712, 2713-2714, 2715-2716, 2717-2718, 2719-2720, 2721-2722, 2723-2724, 2725-2726, 2727-2728, 2729-2730, 2731-2732, 2733-2734, 2735-2736, 2737-2738, 2739-2740, 2741-2742, 2743-2744, 2745-2746, 2747-2748, 2749-2750, 2751-2752, 2753-2754, 2755-2756, 2757-2758, 2759-2760, 2761-2762, 2763-2764, 2765-2766, 2767-2768, 2769-2770, 2771-2772, 2773-2774, 2775-2776, 2777-2778, 2779-2780, 2781-2782, 2783-2784, 2785-2786, 2787-2788, 2789-2790, 2791-2792, 2793-2794, 2795-2796, 2797-2798, 2799-2800, 2801-2802, 2803-2804, 2805-2806, 2807-2808, 2809-2810, 2811-2812, 2813-2814, 2815-2816, 2817-2818, 2819-2820, 2821-2822, 2823-2824, 2825-2826, 2827-2828, 2829-2830, 2831-2832, 2833-2834, 2835-2836, 2837-2838, 2839-2840, 2841-2842, 2843-2844, 2845-2846, 2847-2848, 2849-2850, 2851-2852, 2853-2854, 2855-2856, 2857-2858, 2859-2860, 2861-2862, 2863-2864, 2865-2866, 2867-2868, 2869-2870, 2871-2872, 2873-2874, 2875-2876, 2877-2878, 2879-2880, 2881-2882, 2883-2884, 2885-2886, 2887-2888, 2889-2890, 2891-2892, 2893-2894, 2895-2896, 2897-2898, 2899-2900, 2901-2902, 2903-2904, 2905-2906, 2907-2908, 2909-2910, 2911-2912, 2913-2914, 2915-2916, 2917-2918, 2919-2920, 2921-2922, 2923-2924, 2925-2926, 2927-2928, 2929-2930, 2931-2932, 2933-2934, 2935-2936, 2937-2938, 2939-2940, 2941-2942, 2943-2944, 2945-2946, 2947-2948, 2949-2950, 2951-2952, 2953-2954, 2955-2956, 2957-2958, 2959-2960, 2961-2962, 2963-2964, 2965-2966, 2967-2968, 2969-2970, 2971-2972, 2973-2974, 2975-2976, 2977-2978, 2979-2980, 2981-2982, 2983-2984, 2985-2986, 2987-2988, 2989-2990, 2991-2992, 2993-2994, 2995-2996, 2997-2998, 2999-3000, 3001-3002, 3003-3004, 3005-3006, 3007-3008, 3009-3010, 3011-3012, 3013-3014, 3015-3016, 3017-3018, 3019-3020, 3021-3022, 3023-3024, 3025-3026, 3027-3028, 3029-3030, 3031-3032, 3033-3034, 3035-3036, 3037-3038, 3039-3040, 3041-3042, 3043-3044, 3045-3046, 3047-3048, 3049-3050, 3051-3052, 3053-3054, 3055-3056, 3057-3058, 3059-3060, 3061-3062, 3063-3064, 3065-3066, 3067-3068, 3069-3070, 3071-3072, 3073-3074, 3075-3076, 3077-3078, 3079-3080, 3081-3082, 3083-3084, 3085-3086, 3087-3088, 3089-3090, 3091-3092, 3093-3094, 3095-3096, 3097-3098, 3099-3100, 3101-3102, 3103-3104, 3105-3106, 3107-3108, 3109-3110, 3111-3112, 3113-3114, 3115-3116, 3117-3118, 3119-3120, 3121-3122, 3123-3124, 3125-3126, 3127-3128, 3129-3130, 3131-3132, 3133-3134, 3135-3136, 3137-3138, 3139-3140, 3141-3142, 3143-3144, 3145-3146, 3147-3148, 3149-3150, 3151-3152, 3153-3154, 3155-3156, 3157-3158, 3159-3160, 3161-3162, 3163-3164, 3165-3166, 3167-3168, 3169-3170, 3171-3172, 3173-3174, 3175-3176, 3177-3178, 3179-3180, 3181-3182, 3183-3184, 3185-3186, 3187-3188, 3189-3190, 3191-3192, 3193-3194, 3195-3196, 3197-3198, 3199-3200, 3201-3202, 3203-3204, 3205-3206, 3207-3208, 3209-3210, 3211-3212, 3213-3214, 3215-3216, 3217-3218, 3219-3220, 3221-3222, 3223-3224, 3225-3226, 3227-3228, 3229-3230, 3231-3232, 3233-3234, 3235-3236, 3237-3238, 3239-3240, 3241-3242, 3243-3244, 3245-3246, 3247-3248, 3249-3250, 3251-3252, 3253-3254, 3255-3256, 3257-3258, 3259-3260, 3261-3262, 3263-3264, 3265-3266, 3267-3268, 3269-3270, 3271-3272, 3273-3274, 3275-3276, 3277-3278, 3279-3280, 3281-3282, 3283-3284, 3285-3286, 3287-3288, 3289-3290, 3291-3292, 3293-3294, 3295-3296, 3297-3298, 3299-3300, 3301-3302, 3303-3304, 3305-3306, 3307-3308, 3309-3310, 3311-3312, 3313-3314, 3315-3316, 3317-3318, 3319-3320, 3321-3322, 3323-3324, 3325-3326, 3327-3328, 3329-3330, 3331-3332, 3333-3334, 3335-3336, 3337-3338, 3339-3340, 3341-3342, 3343-3344, 3345-3346, 3347-3348, 3349-3350, 3351-3352, 3353-3354, 3355-3356, 3357-3358, 3359-3360, 3361-3362, 3363-3364, 3365-3366, 3367-3368, 3369-3370, 3371-3372, 3373-3374, 3375-3376, 3377-3378, 3379-3380, 3381-3382, 3383-3384, 3385-3386, 3387-3388, 3389-3390, 3391-3392, 3393-3394, 3395-3396, 3397-3398, 3399-3400, 3401-3402, 3403-3404, 3405-3406, 3407-3408, 3409-3410, 3411-3412, 3413-3414, 3415-3416, 3417-3418, 3419-3420, 3421-3422, 3423-3424, 3425-3426, 3427-3428, 3429-3430, 3431-3432, 3433-3434, 3435-3436, 3437-3438, 3439-3440, 3441-3442, 3443-3444, 3445-3446, 3447-3448, 3449-3450, 3451-3452, 3453-3454, 3455-3456, 3457-3458, 3459-3460, 3461-3462, 3463-3464, 3465-3466, 3467-3468, 3469-3470, 3471-3472, 3473-3474, 3475-3476, 3477-3478, 3479-3480, 3481-3482, 3483-3484, 3485-3486, 3487-3488, 3489-3490, 3491-3492, 3493-3494, 3495-3496, 3497-3498, 3499-3500, 3501-3502, 3503-3504, 3505-3506, 3507-3508, 3509-3510, 3511-3512, 3513-3514, 3515-3516, 3517-3518, 3519-3520, 3521-3522, 3523-3524, 3525-3526, 3527-3528, 3529-3530, 3531-3532, 3533-3534, 3535-3536, 3537-3538, 3539-3540, 3541-3542, 3543-3544, 3545-3546, 3547-3548, 3549-3550, 3551-3552, 3553-3554, 3555-3556, 3557-3558, 3559-356

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

Eurodollar bonds mark time

The chronic problem of uncertainty over dollar interest rates continues to dominate the market and yesterday's reprieve was viewed as a pause after the shake-out of the past fortnight.

In the primary sector, the new Ohio Edison issue—rated

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday July 13. Closing prices as June 16

[illegible]

		Change on				Prem-%
		Issued	Old	Offer	day	week
YEN STRAIGHTS						
Jan. Dev. \$1, \$1	15	98	100	0	0	8.32
Int. Amer. Dev. \$1	15	101 1/2	102 1/2	0	0	8.58
Japan Sinking 75 \$7	9	95 1/2	96 1/2	0	0	8.50
New Zealand \$1, 87	15	99 1/4	100 1/4	0	0	8.44
World Bank \$1, 87	20	98 1/2	99 1/2	0	0	8.56

Prem-%Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

© The Financial Times Ltd. 1992. Reproduction in whole or in part in any form not permitted, without written permission.

		Change on				Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.
YEN STRAIGHTS	Issued	Old	Old	Old	week	
		100	100	100		
Jan. Dev. \$1, \$1	15	98	98	98	8.32	
Int. Amer. Dev. \$1	15	101 1/2	102 1/2	104	8.58	
Japan Sinking 75 \$7	9	95 1/2	96 1/2	98	8.50	
New Zealand \$1, \$7	15	99 1/2	100 1/2	101	8.44	
World Bank \$1, \$2	20	98 1/2	99 1/2	100	8.56	

© The Financial Times Ltd. 1992. Reproduction in whole or in part in any form not permitted, without written permission.

By Our New York Staff

Meanwhile, Bankers Trust company, another large New York bank, is adopting a more open approach to promotion. It

BY PAUL BETTS IN NEW YORK

BY WILLIAM DULLFORCE, NO
ESSELTE, the Swedish office

BY OUR NEW YORK STAFF

supplies, graphing and packaging group, increased earnings by SKr 11m to SKr 292m (\$48.7m) in the year ended March, 1983.

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

board proposes to raise the dividend to SKr 8.50 a share against the SKr 7.65 paid for 1980-81, at a cost of SKr 66.1m; against SKr 51m.

By Our Financial Staff

nd chief executive of Stroh is
o assume the same positions
t Schlitz. Mr Frank J. Sellinger
will continue as vice-chairman,
nd Mr Roger Fridholm, presi-

By Robert Gibbens in Montreal

Cummins

By Our Financial Staff

Quarter of 1981. It had a net profit \$22.4m or \$2.52 a share and a \$477.6m turnover.

By Robert King in Taipei
HUA TUNG Motor Corporation, a joint venture between General Motors and several Taiwanese companies yesterday received Taiwan government approval of a \$10.5m loan from the state-owned Bank of Communication. Hua Tung is Taiwan's only producer of heavy-duty trucks and buses.

posed last February by the present Economics Minister will prove insufficient to improve Hua Tung's competitive position. Some 1,700 Japanese-made

and
US\$ 1,400,000

Kuwait Real Estate Bank K.S.C.
The National Bank of Kuwait S.A.K.

... ..

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is expected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is expected to reach 1.7 billion by the year 2015.

هناك زامن الأول



June 17, 1982

Red Nacional de los Ferrocarriles Españoles

SDR 50,000,000

Guaranteed Floating Rate Notes due 1989
Irrevocably and unconditionally Guaranteed by

The Kingdom of Spain

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period commencing on June 18, 1982 the Notes will bear interest at the rate of 13 1/8% per annum. The interest payable on the Interest Payment Date, December 20, 1982 against Coupon No. 2 will be SDR 6,969.62. The USS/SDR rate which will determine the USS amount payable in respect of Coupon No. 2 will be fixed together with the Interest Rate for the period commencing December 20, 1982, on December 16, 1982.

Fiscal Agent
ORION ROYAL BANK LIMITED

Pirelli SpA boosts profits and payout

BY JAMES BUXTON IN ROME

PIRELLI SPA, the Italian-based holding company of the cables and tyre group, increased its profits to L25.6bn (\$18.8bn) in the year ended April, 1982, thus continuing the favourable trend which began in 1979. In the previous financial year profits of L16bn were achieved.

The improved performance of the company, which handles the Italian and most of the EEC interests of the group, benefited from the turnaround in the fortunes of Industria Pirelli, the Italian operating company, which returned to profit in 1980 for the first time in a decade. The sales of the whole Pirelli group worldwide last year amounted to L5,100bn.

Pirelli SpA is increasing its dividend from L80 to L80 per share, on capital of L195.5bn. Shareholders are to be asked to approve the issue of L80bn worth of bonds at a variable

Interest rate, related to the Italian prime rate.

Pirelli last year ended its 10-year union with the British company, Dunlop. Now Pirelli SpA and the other main holding company in the group, the Basle-based Societe Internationale Pirelli, are in effect to merge, to form a new company called Pirelli Societe Generale, which will also be based in Basle.

Net debt of Montedison, the Italian chemicals group, stood at L4,357bn (\$3.2bn) at the end of 1981, against net assets of L418bn. The group's annual report said the reduction in net assets, which does not take into account the L640bn capital increase of February 1982, would have been larger but for a L180bn revaluation of Servizi Elettrici Montedison, its electrical unit. Montedison recently reported a L598bn loss for 1981.

Italian bank cuts Swiss holding

BY RUPERT CORNWELL IN ROME

BANCA COMMERCIALE ITALIANA (BCI), one of the three major banks controlled by IRI, the state-owned conglomerate, yesterday announced an outline agreement to sell a 33 per cent stake in Banca della Svizzera Italiana to Irving Trust Company of New York.

The value of the deal, which will become operative early next year, is said to be \$105m. After completion, BCI will still retain a 7 per cent interest in its Swiss associate, the seventh largest

non-quoted bank in Switzerland with a total balance sheet at the end of 1981 of \$2.2bn.

The acquisition will give Irving an important foothold in the Swiss banking community. Banca della Svizzera Italiana has affiliates in Luxembourg and Munich. Meanwhile, BCI has also secured approval from the U.S. Federal Reserve Board to acquire Lito Bancorporation of New York, in a deal worth \$30m.

BCI is to pay around \$35 per share for the common stock of Lito. The Italian bank, under the original outline agreement of last year, is also due to inject about \$20m of new capital into Lito.

Banca della Svizzera Italiana is the largest bank headquartered in Switzerland's Ticino canton. It offers a full range of commercial and investment banking services and is a member of the Zurich Stock Exchange.

Irving said: "This purchase provides us with an excellent way to expand our activities in the Swiss market. It allows us to participate in a rapidly growing and highly successful institution."

The deal represents Irving Trust's first move into Switzerland. Through its control of Long Island Trust, Irving is a banking company with end-1981 assets of around \$1bn. It has 48 branches in New York State and is represented in the Bahamas.

Brazil operation puts RSV in the black

By Walter Ellis in Amsterdam

THE DUTCH shipbuilding group, Rijn-Scheide-Verolme, made a net profit of F1 22m (\$8.2m) in the first five months of this year despite a F1 2m loss by the home yards. Continuing success by the company's Brazilian offshoot contributed profits of F1 24m.

Contrary to the company's earlier expectations, no profit is likely this year from the manufacture of coal-cutting machinery for the U.S. The U.S. coal market has gone into recession and there is thought to be little chance now of further immediate aid for development of the machinery from potential U.S. customers.

A positive result for 1982 as a whole is expected by RSV, but because of the difficulties experienced by buyers worldwide it is thought that the total for the year will not be as good as for the first five months. The group incurred a loss of F1 8.4m in 1981.

Zschokke lifts earnings

By Bjørn Kihlström in Geneva

ZSCHOKKE, the major Swiss construction group, reports a 12.5 per cent increase in net profits from SwFr 3.8m to SwFr 4.2m (\$2m) for 1981.

Turnover increased from SwFr 465m in 1980 to SwFr 534m, comprising a 31 per cent rise in foreign business compared with a 6 per cent increase within Switzerland.

But activity within Switzerland, which provides two-thirds of the total business, was more profitable than that abroad. Foreign business has already begun to show a small decline, and overall this year turnover is expected to show little growth.

In the medium term Swiss construction activity is expected to be flat compared with the past three years. The main reason for stagnation is rising building costs and possible price cutting among Switzerland's 2,000 construction companies.

Sabancı shows strong advance

BY METIN MUNIR IN ANKARA

SABANCI, the banking, insurance and manufacturing company which claims to be the largest privately-owned group in Turkey, reports higher sales and profits for 1981.

Net earnings rose by 45 per cent to the equivalent of \$124m following an increase in sales to \$2.08bn from \$1.14bn in 1980. Mr. Sakip Sabanci, the chairman, says that the group achieved strong growth in all divisions.

The operations of the family-owned group, run by the five Sabanci brothers, centre around more than 80 separate companies, of which 35 are consolidated. Manufacturing, including textiles, cars, cement and tyres, account for 55 per cent of total turnover. Akbank, the

largest private bank in Turkey, is also part of the group.

Like many other private industry groups, Sabanci is concentrating on exports to compensate for slack domestic demand. Exports in 1981 totalled \$131m, compared with \$54m in the previous year, not only through sales of synthetic fibres, tyres and tyre cord fibres. The export target for 1982 is \$200m.

Mr. Sabanci says the target for 1982 is to increase turnover by 70 per cent. The industrial divisions will try to become more productive and aim for higher capacity usage.

Investments totalling about \$200m are planned, compared with capital spending in 1981 of \$90m. The new funds are

earmarked for efficiency improvements.

Mr. Sabanci says that his group is planning two new major investments in 1982, one in industry and the other agriculture. Discussions are under way between Sabanci and Kenward of the U.S. for the construction of a plant which will manufacture trailers, lorries and buses in the south-east of Turkey. An investment of \$10m is planned. The plant is scheduled to become operational next year and has an export target of \$240m.

In agriculture, Sabanci will supply the knowhow and technology for a leading international food manufacturer to establish an integrated industry on the family estates in Adana.

Koc hit by narrower margins

BY OUR ISTANBUL CORRESPONDENT

KOC, THE Turkish motor, steel and consumer goods group, did little better than break even for 1981.

Pre-tax profits improved by 16 per cent to the equivalent of \$65m, but after tax and every other provision "the result is reduced to almost zero," says Mr. Rahmi Koc, the vice-chairman.

Sales rose by 70 per cent to \$2,070m but the upturn was heavily influenced by Turkish inflation and the first-time inclusion of 15 new companies within the group.

At the same time Koc's margins have been under

extreme pressure. The return on sales narrowed by almost a third from 6.1 per cent in 1980 to 4.2 per cent last year.

Koc is a major concern in the automotive sector and in the manufacture of durable and non-durable goods. The motor division alone constitutes about half of sales. Last year weak demand hurt passenger car sales. The heavy industry division and many products utilised by the construction industry are also in the doldrums.

Asli Celik, which manufactures specialty steel, was particularly badly hurt and is being bailed out by a government-

sponsored equity injection of about \$90m.

The two main problems faced by Koc are: High interest rates ("we worked for the banks last year") and the inability to lay off workers as a result of government regulations.

Like many other businessmen in Turkey, Mr. Koc has turned his attention to exports. These grew to \$103m in 1981 from \$45m in 1980. The target for 1982 is \$150m.

Mr. Koc says that returns in the first five months of this year pointed to a 40 per cent increase in turnover for 1982.

Record turnover for Turkish builder

KUTLUKUTAS, one of Turkey's largest construction and textile groups, reports a record turnover of \$171m for 1981, an increase of more than 30 per cent. Net income more than trebled to \$10m, writes our Istanbul Correspondent.

The family-owned group has weathered Turkey's abating economic crisis virtually unscathed, helped by diversification and overseas construction activities. It is looking forward to further rapid growth in 1982. Exports are expected to grow

from about \$10m in 1981 to \$30m this year.

The group has set itself some eye-catching targets for sales and profits growth in 1982. Turnover is expected to rise to \$226m, while net earnings are apparently set to rise to \$35m.

This announcement appears as a matter of record only.

June 1982

OLC

Orient Leasing Co., Ltd.

(Orient Lease Kabushiki Kaisha)

(Incorporated with limited liability under the Commercial Code of Japan)

U.S. \$20,000,000

6 1/2 per cent. Convertible Bonds Due 1997

ISSUE PRICE 100 PER CENT

Daiwa Europe Limited

Banque Bruxelles Lambert S.A.

Baring Brothers & Co., Limited

Goldman Sachs International Corp.

Nomura International Limited

The Taiyo Kobe Bank (Luxembourg) S.A.

Morgan Guaranty Ltd

Banque de Paris et des Pays-Bas

Robert Fleming & Co. Limited

Merrill Lynch International & Co.

Sanwa Bank (Underwriters) Limited

S.G. Warburg & Co. Ltd.

Banca del Gottardo James Capel & Co.

Cazenove & Co. (Overseas)

Credit Suisse First Boston Limited

Dresdner Bank Aktiengesellschaft

Götabanken

Grieson, Grant and Co.

Kleinwort, Benson Limited

New Japan Securities Europe Limited

The Nikko Securities Co., (Europe) Ltd.

Nippon Kangyo Bank (Europe) Limited

Okasan International (Europe) Limited

Pierston, Halding & Pierston N.V.

J. Henry Schroder Wagg & Co. Limited

Singer & Friedlander Limited

Vickers da Costa International Ltd.

Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

Yamatane Securities Co. Ltd.

All these certificates having been sold, this announcement appears as a matter of record only.



Canadian Commercial Bank

(Incorporated in Canada)

Cayman Islands Branch

US \$25,000,000

Floating Rate Certificates of Deposit due 1985

Chemical Bank International Group

Mitsui Trust Bank (Europe) S.A.

Yasuda Trust and Finance (Hong Kong) Limited

Arab African International Bank - Cairo

Bank of China London

Banque Internationale à Luxembourg SA

London & Continental Bankers Ltd.

Agent

Chemical Bank International Limited

May, 1982

INTERNATIONAL APPOINTMENTS

Senior posts at Firestone Tire and Rubber Co.

FIRESTONE TIRE AND RUBBER COMPANY, Akron, Ohio, has appointed Mr. Leon R. Brodeur as president, chief operating officer and a director. As president and chief operating officer he succeeds Mr. John J. Nevin who remains chairman and chief executive officer. Mr. Brodeur had been a corporate executive vice-president and president of North American tyre operations. Mr. George W. Ancott has been appointed president of Firestone's newly-created worldwide tyre group, which includes the former Firestone North American and international tyre groups. Mr. Ancott had been president of the international group and a corporate executive vice-president.

Mr. A. J. Kucera, Jr. has joined the SKYTOP BREWSTER COMPANY as president. Mr. Kucera had previously been employed by Skytop as president. The Skytop Brewster Company, headquartered in Houston, Texas, is a wholly-owned subsidiary of Newconex Corporation.

For the first time in its 110-year history, the SWEDISH CLUB of Göteborg has elected international members to its governing board. Mr. J. R. Peter-

son of Getty Oil, Los Angeles, Mr. John Samuels of Oceanmaid Shipping, Piraeus and Mr. Ng Siong Tee of Kontiki Enterprises, Singapore, have all been made international directors.

AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION has elected Mr. Michiya Matsukawa, senior adviser of the president of the Nikko Securities Company, and Mr. Bruce MacLaury, president of the Brookings Institution, to its board. Mr. Matsukawa has held a number of key finance positions within the Japanese Government, most recently as special adviser to the Minister of Finance, from 1978 to 1980. Mr. MacLaury was president of the Federal Reserve Bank of Minneapolis.

Mr. Andrew M. Smith, previously Baring Brothers ASIA director resident in Kuala Lumpur, has succeeded Mr. Nigel Metville as director in charge of its Singapore office. Mr. Metville has returned to the London office of Baring Brothers and Company. In addition Mr. J. H. T. Russell has been appointed a director of Baring Brothers Asia from July 1 and will be based in the Hong Kong office.

The Linde division of UNION CARBIDE CORPORATION has made the following appointments: Mr. R. William Lichtenberger becomes vice-president and general manager for products. Mr. Joseph R. Clark is appointed vice-president, marketing, and Mr. Gerald D. Albertson is appointed vice-president of the Tonawanda (NY) Operations.

Mr. Bruno de Kalhermatten has succeeded Mr. Pierre Payot as chairman of BOBST S.A., Lausanne.

Mr. George Baker has been appointed executive director in charge of corporate banking at LLOYDS INTERNATIONAL. Lloyds Bank's International's Australian merchant banking subsidiary, Mr. John Eggleston has become executive director for international merchant banking services.

Mr. Herman de Groot has been appointed director, sales for BORG-WARNER CHEMICALS Europe. Mr. de Groot was responsible for setting up the new marketing department as marketing and market services manager. Mr. David Deeds has been appointed director marketing. He was recently promoted to business services manager.

NABISCO BRANDS has appointed Mr. H. R. Powell as president and chief executive of Nabisco Brands Limited, a new Canadian company formed from the combination of Christie Brown & Co. and Standard Brands. Mr. Powell was senior vice-president of Nabisco Brands in New York.

Caisse Nationale de Credit Agricole

U.S. \$50 million

Floating Rate Notes due 1984

In accordance with condition No. 11 of the Notes, notice is hereby given that for the six months period 17th June 1982 to 17th December 1982 Notes will carry an interest rate of 15.875%.

Relevant interest payments will be as follows:-
Notes of U.S. \$1000 U.S. \$80.70.



FIRST CHICAGO

THE FIRST NATIONAL BANK OF CHICAGO

Agent

U.S. \$20,000,000

Floating Rate Subordinated
Bearer Participation Certificates 1990

Issued by The Law Debenture Intermediary Corporation Limited
evidencing entitlement to payment of principal and interest
on an advance made to

Den norske Creditbank (Luxembourg) S.A.

repayment of which is guaranteed on a subordinated basis by
Den norske Creditbank

DnC

In accordance with the provisions of the Certificates, notice is hereby given that for the three month interest period from 17th June, 1982 to 17th September, 1982 the Interest Rate will be 15 1/8% per annum and the Coupon Amount per U.S. \$1,000 will be U.S. \$40.41.

Credit Suisse First Boston Limited
Agent Bank



IRELAND

U.S. \$50,000,000

Floating Rate Notes Due 1990

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 17th June, 1982 to 17th December, 1982, has been fixed at 15 1/8% per annum and that the coupon amount payable on Coupon No. 4 will be U.S. \$8,069.79.

The Sunningbank, Limited.
Reference Agent

Companies and Markets **INTL. COMPANIES & FINANCE**

Recovery pinned on migrant worker routes

Middle East beckons PAL

BY EMILIA TAGAZA IN MANILA

JOBS OFFERED in the Middle East have been one of the most effective contributions to solving two of the Philippine Government's most vexing problems—rising unemployment and a widening payments deficit. The government-run Philippine Airlines (PAL), battered by soaring losses during the last two years, is also now pinning its hopes on this market for a turnaround this year.

During the last five years, the traffic of Filipino contract workers moving between Manila and the Middle East has been heavy. An average of 110,000 workers find jobs abroad each year and of these, 77 per cent are taken on in the Middle East, mostly in Saudi Arabia. The Ministry of Labour and Employment estimates that in Saudi Arabia alone, about 50,000 Filipino workers found jobs last year.

PAL has long been eyeing the Manila-Saudi Arabia route, having recognised a gold mine in the constant stream of contract workers between the Kingdom and the Philippines. Finally, in March, an air agreement was reached allowing PAL and Saudia, the Saudi Arabian national airline, to exchange services from July. Mr Roman Cruz, Jnr, says: "It's a single breakthrough, it is the operation to Saudi Arabia."

The new route has radically changed Mr Cruz's projections for his airline. Late last year, he was saying that 1984 would be PAL's turnaround year, and that no profits could be made before then. Today he is coming confident that PAL will make a profit this year because of the opening of new routes to the Middle East. Mr Cruz now sets a net profit target of 130m pesos (U.S.\$15m) for 1982. PAL's losses in 1980 and 1981 totalled 900m pesos (U.S.\$124m).

The Philippine Government itself has profited greatly from the flow of Filipino workers to Saudi Arabia and other Arab states. Overseas jobs have served as a safety valve for brewing labour unrest in the Philippines, where unemployment has reached over 10 per cent, and real wages have been almost static. Moreover, earnings from this manpower export have helped considerably in bridging balance of payments deficits, as they are now the biggest single contributor to the country's foreign exchange coffers.

PAL will serve the Saudi Arabia route with three-weekly flights to Dhahran on Boeing 747s. Apart from Saudi Arabia, PAL negotiators are also working to get landing rights to Kuwait, Abu Dhabi and Iraq, where fuel is about 36 per cent

of workers is also growing. Before the air treaty with Saudi Arabia, PAL's only Middle East stops were in Karachi and Bahrain.

With eyes now set on the Middle East, PAL is slowly playing down its trans-Pacific flights, which have traditionally been its backbone. Mr Cruz says that the trans-Pacific route has lost much of its profit potential because of cut-throat competition amongst American and Asian airlines. Fare-cutting had substantially cut airlines' incomes.

The downgrading of trans-Pacific flights means that whereas in the mid-1970s they accounted for over 60 per cent of PAL's international revenue, the count now is 40 per cent.

The past two years have been the most disastrous for PAL. In 1980, it went into the red with a jolting loss of 395m pesos (US\$49m) from the previous year's profit of 12m pesos. Last year it nosedived again, with the net loss reaching 595m pesos (US\$74m). It was necessary for the Government to infuse US\$66m in fresh capital.

Mr Cruz attributes the losses to runaway fuel prices and to widely gyrating interest rates. PAL had, he says, suffered much more from fuel prices because it takes on 45 per cent of its requirements in Manila, where fuel is about 36 per cent



Mr Roman Cruz, chairman and president of Philippine Airlines

dearer than the average in other cities along its route.

Another big blow to PAL's operations in 1980 and 1981 were spiralling financing charges, which last year amounted to 498m pesos, equal to 30 per cent of its total loss. Most of the interest payments were on loans incurred when the airline spent heavily on new jets in 1978.

Considering the nightmarish time for the whole airline industry, PAL's target of a \$15m profit for 1982 may seem optimistic. There are, however, signs that PAL may break-even. In the first quarter of this year, the net loss was reduced to 69m pesos from the 303m peso loss of the same period last year. At the operating level, it made a profit of 16m pesos in the quarter, compared with an operating loss of 188m pesos a year earlier.

This announcement appears as a matter of record only.

**U.S. \$35,000,000
AUS. \$10,000,000**

Ten Year Term Project Financing
Arranged for

BASIN OIL N.L.

To Finance its Interest in
The Cooper Basin Liquefied Project

Managed By
Bank of Montreal
Banque de la Société Financière Européenne
Banque Nationale de Paris

U.S. Dollars Provided By
Bank of Montreal
Société Financière Européenne Finance Company N.V.—SFE Group
Barclays Bank International Limited
Chemical Bank
Continental Illinois National Bank and Trust Company of Chicago
Dresdner (South East Asia) Limited
Midland Bank plc, Singapore Branch
American Agents and American Dollars Provided By
Banque Nationale de Paris (Paris Branch)

May 1982

BANK OF MONTREAL
Agent

This announcement appears as a matter of record only.

**U.S. \$35,000,000
AUS. \$10,000,000**

Ten Year Term Project Financing
Arranged for

REEF OIL N.L.

To Finance its Interest in
The Cooper Basin Liquefied Project

Managed By
Bank of Montreal
Banque de la Société Financière Européenne
Banque Nationale de Paris

U.S. Dollars Provided By
Bank of Montreal
Société Financière Européenne Finance Company N.V.—SFE Group
Barclays Bank International Limited
Chemical Bank
Continental Illinois National Bank and Trust Company of Chicago
Dresdner (South East Asia) Limited
Midland Bank plc, Singapore Branch
American Agents and American Dollars Provided By
Banque Nationale de Paris (Paris Branch)

May 1982

BANK OF MONTREAL
Agent

DG BANK**DG Bank Finance
Company B.V.**

**U.S. \$50,000,000 Floating Rate
Note Issue due 1982**

For the six months 17th June,
1982 to 17th December, 1982
the Notes will carry an interest
rate of 15% per annum.

By: Morgan Guaranty Trust Company of
New York, London Agent Bank

Weekly net asset value

**Tokyo Pacific Holdings (Seaboard) N.V.**

on June 16th 1982, U.S.\$55.09

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V.,
Herengracht 214, 1016 BS Amsterdam.**VONTOBEL EUROBOND INDICES**

14.5.76 = 100%			
PRICE INDEX	8.6.82	15.6.82	AVERAGE YIELD
OM Bonds	85.72	86.43	8.18%
HFL Bonds & Notes	99.23	99.03	10.05%
U.S. S. Int. Bonds	88.86	89.31	14.10%
Can. Dollar Bonds	91.77	91.02	15.40%

**Schroder Darling launches
cash management trust**

BY MICHAEL THOMPSON-NOEL IN SYDNEY

SCHRODER DARLING, the merchant bank, has launched an Australian cash management trust and set its sights on attracting A\$100m (US\$104m) of investment funds in 12 months.

Schroder's is the 14th such money market fund to be launched since Hill Samuel paved the way 18 months ago. Mr Richard Wilkinson, manager of the Schroder Darling cash management trust, said yesterday that the trusts now handle an estimated A\$1.5bn. He said the total could reach A\$3bn to

A\$4bn. Hill Samuel continues to set the pace. With funds of about A\$650m it has introduced several new facilities for investors, including the transfer of funds from any bank in the country, and a toll-free telephone line to handle customer inquiries.

In common with its rivals, Schroder is investing in government securities and bank-backed paper. Unlike most of them, it is prepared to invest up to 20 per cent of investors' funds in interest rate futures.

**FVB warns on prospects
for current year growth**

BY OUR JOHANNESBURG CORRESPONDENT

FEDERALE Volksbelegings (FVB), the South African investment group with large interests in food, chemicals, electronics, and furniture, is far from optimistic on prospects for the next few years.

FVB says that the economic climate during the next two years will be less favourable and that high interest rates and increased taxation will have a detrimental effect on results. It says that it is not optimistic as far as the current year's growth prospects are concerned.

In the year ended March 31, 1982, the group increased its income before tax and interest charges by 35.4 per cent to R138.1m (\$124m) from R102m. Turnover rose by 33.2 per cent to R1,340m from R1,030m. However, as the interest bill almost doubled to R39.3m from R20.4m, the pre-tax profit advance was only 20.4 per cent to R98.2m from R81.6m.

The management says that the chemicals industry experienced a number of new problems which influenced the results and that lower than expected increases in the controlled prices of fertilisers created an unexpected gap in profitability.

The group is having to shelve some of its longer-term growth plans for the next year or two. Current assets are to be brought in line with expected business activity as high interest rates are making their financing too expensive.

The management says that the chemicals industry experienced a number of new problems which influenced the results and that lower than expected increases in the controlled prices of fertilisers created an unexpected gap in profitability.

**Broking licences in
demand in Bahrain**

Bahrain's Ministry of Commerce has received 44 applications for newly introduced stockbroking licences. Mary Frings reports from Bahrain. Strong interest has been shown in the licence despite the narrowness of the local stockmarkets. Bahrain has about 20 public companies and a further 42 Gulf companies are listed on Kuwait's Suq al Manakh stock exchange.

BASE LENDING RATES

A.B.N. Bank	12 1/4%	Robert Fraser	13%
Allied Irish Bank	12 1/4%	Grindlays Bank	12 1/4%
American Express Bk.	12 1/4%	Guinness/Mahon	12 1/4%
Amro Bank	12 1/4%	Hambros Bank	12 1/4%
Henry Ansbacher	12 1/4%	Heritable & Gen. Trust	12 1/4%
Arbuthnot Leithman	12 1/4%	Hill Samuel	12 1/4%
Associates Cap. Corp.	12 1/4%	C. Hoare & Co.	12 1/4%
Banco de Bilbao	12 1/4%	Hongkong & Shanghai	12 1/4%
BCCI	12 1/4%	Kingsnorth Trust Ltd.	14%
Bank Hapoalim B.M.	12 1/4%	Knowlesy & Co. Ltd.	13%
Bank of Ireland	12 1/4%	Lloyds Bank	12 1/4%
Bank Leumi (UK) plc	12 1/4%	Mallinthal Limited	12 1/4%
Bank of Cyprus	12 1/4%	Edward Manson & Co.	13 1/4%
Bank Street Sec. Ltd.	14%	Midland Bank	12 1/4%
Bank of N.S.W.	12 1/4%	Samuel Montagu	12 1/4%
Banque-Beige-Ltd.	12 1/4%	Morgan Grenfell	12 1/4%
Banque du Rhone et de la Tamise S.A.	13%	National Westminster	12 1/4%
Barclays Bank	12 1/4%	Norwich General Trust	12 1/4%
Beneficial Trust Ltd.	12 1/4%	P. S. Refson & Co.	12 1/4%
Brenar Holdings Ltd.	13 1/4%	Roxburgh Guarantee	13%
Brit. Bank of Mid. East	12 1/4%	E. S. Schwab	13%
Brown Shipley	13%	Slavenburg's Bank	12 1/4%
Canada Perm't Trust	13%	Standard Chartered	12 1/4%
Castle Court Trust Ltd.	13%	Trade Dev. Bank	12 1/4%
Cavendish City Trst Ltd.	14%	Trustee Savings Bank	12 1/4%
Cayzer Ltd.	12 1/4%	TCB	12 1/4%
Cedar Holdings	13%	United Bank of Kuwait	12 1/4%
Charterhouse Japhet	12 1/4%	Whiteaway Ltd.	13%
Choulatons	13%	Williams & Glyn's	12 1/4%
Citibank Savings	12 1/4%	Winttrust Secs. Ltd.	12 1/4%
Clydesdale Bank	12 1/4%	Yorkshire Bank	12 1/4%
C. E. Coates	12 1/4%	Members of the Accepting Houses Committee.	
Comm. Bk. of Near East	12 1/4%	7-day deposits 9.5%, 1-month 12.1%	
Consolidated Credits	12 1/4%	8-7% Short term 26.000/12 month 12.1%	
Co-operative Bank	12 1/4%	7-day deposits on sums of: under 10,000 9.5%, 10,000-20,000 10.5%, 20,000-50,000 11%, 50,000-100,000 11.5%, 100,000-250,000 12%, 250,000-500,000 12.5%, 500,000-1,000,000 13%, 1,000,000-2,500,000 13.5%, 2,500,000-5,000,000 14%, 5,000,000-10,000,000 14.5%, 10,000,000-25,000,000 15%, 25,000,000-50,000,000 15.5%, 50,000,000-100,000,000 16%, 100,000,000-250,000,000 16.5%, 250,000,000-500,000,000 17%, 500,000,000-1,000,000,000 17.5%, 1,000,000,000-2,500,000,000 18%, 2,500,000,000-5,000,000,000 18.5%, 5,000,000,000-10,000,000,000 19%, 10,000,000,000-25,000,000,000 19.5%, 25,000,000,000-50,000,000,000 20%, 50,000,000,000-100,000,000,000 20.5%, 100,000,000,000-250,000,000,000 21%, 250,000,000,000-500,000,000,000 21.5%, 500,000,000,000-1,000,000,000,000 22%, 1,000,000,000,000-2,500,000,000,000 22.5%, 2,500,000,000,000-5,000,000,000,000 23%, 5,000,000,000,000-10,000,000,000,000 23.5%, 10,000,000,000,000-25,000,000,000,000 24%, 25,000,000,000,000-50,000,000,000,000 24.5%, 50,000,000,000,000-100,000,000,000,000 25%, 100,000,000,000,000-250,000,000,000,000 25.5%, 250,000,000,000,000-500,000,000,000,000 26%, 500,000,000,000,000-1,000,000,000,000,000 26.5%, 1,000,000,000,000,000-2,500,000,000,000,000 27%, 2,500,000,000,000,000-5,000,000,000,000,000 27.5%, 5,000,000,000,000,000-10,000,000,000,000,000 28%, 10,000,000,000,000,000-25,000,000,000,000,000 28.5%, 25,000,000,000,000,000-50,000,000,000,000,000 29%, 50,000,000,000,000,000-100,000,000,000,000,000 29.5%, 100,000,000,000,000,000-250,000,000,000,000,000 30%, 250,000,000,000,000,000-500,000,000,000,000,000 30.5%, 500,000,000,000,000,000-1,000,000,000,000,000,000 31%, 1,000,000,000,000,000,000-2,500,000,000,000,000,000 31.5%, 2,500,000,000,000,000,000-5,000,000,000,000,000,000 32%, 5,000,000,000,000,000,000-10,000,000,000,000,000,000 32.5%, 10,000,000,000,000,000,000-25,000,000,000,000,000,000 33%, 25,000,000,000,000,000,000-50,000,000,000,000,000,000 33.5%, 50,000,000,000,000,000,000-100,000,000,000,000,000,000 34%, 100,000,000,000,000,000,000-250,000,000,000,000,000,000 34.5%, 250,000,000,000,000,000,000-500,000,000,000,000,000,000 35%, 500,000,000,000,000,000,000-1,000,000,000,000,000,000,000 35.5%, 1,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000 36%, 2,500,000,000,000,000,000,000-5,000,000,000,000,000,000,000 36.5%, 5,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000 37%, 10,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000 37.5%, 25,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000 38%, 50,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000 38.5%, 100,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000 39%, 250,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000 39.5%, 500,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000 40%, 1,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000 40.5%, 2,500,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000 41%, 5,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000 41.5%, 10,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000 42%, 25,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000 42.5%, 50,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000 43%, 100,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000 43.5%, 250,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000 44%, 500,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000 44.5%, 1,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000 45%, 2,500,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000 45.5%, 5,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000 46%, 10,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000 46.5%, 25,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000 47%, 50,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000 47.5%, 100,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000 48%, 250,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000 48.5%, 500,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000 49%, 1,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000 49.5%, 2,500,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000 50%, 5,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000 50.5%, 10,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000 51%, 25,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000 51.5%, 50,000,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000,000 52%, 100,000,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000,000 52.5%, 250,000,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000,000 53%, 500,000,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000,000 53.5%, 1,000,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000,000 54%, 2,500,000,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000,000 54.5%, 5,000,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000,000 55%, 10,000,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000,000 55.5%, 25,000,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000,000 56%, 50,000,000,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000,000,000 56.5%, 100,000,000,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000,000,000 57%, 250,000,000,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000,000,000 57.5%, 500,000,000,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000,000,000 58%, 1,000,000,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000,000,000 58.5%, 2,500,000,000,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000,000,000 59%, 5,000,000,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000,000,000 59.5%, 10,000,000,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000,000,000 60%, 25,000,000,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000,000,000 60.5%, 50,000,000,000,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000,000,000,000 61%, 100,000,000,000,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000,000,000,000 61.5%, 250,000,000,000,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000,000,000,000 62%, 500,000,000,000,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000,000,000,000 62.5%, 1,000,000,000,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000,000,000,000 63%, 2,500,000,000,000,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000,000,000,000 63.5%, 5,000,000,000,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000,000,000,000 64%, 10,000,000,000,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000,000,000,000 64.5%, 25,000,000,000,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000,000,000,000 65%, 50,000,000,000,000,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000,000,000,000,000 65.5%, 100,000,000,000,000,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000,000,000,000,000 66%, 250,000,000,000,000,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000,000,000,000,000 66.5%, 500,000,000,000,000,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000,000,000,000,000 67%, 1,000,000,000,000,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000,000,000,000,000 67.5%, 2,500,000,000,000,000,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000,000,000,000,000 68%, 5,000,000,000,000,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000,000,000,000,000 68.5%, 10,000,000,000,000,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000,000,000,000,000 69%, 25,000,000,000,000,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000,000,000,000,000 69.5%, 50,000,000,000,000,000,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000,000,000,000,000,000 70%, 100,000,000,000,000,000,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000,000,000,000,000,000 70.5%, 250,000,000,000,000,000,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000,000,000,000,000,000 71%, 500,000,000,000,000,000,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 71.5%, 1,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000,000,000,000,000,000 72%, 2,500,000,000,000,000,000,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 72.5%, 5,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 73%, 10,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 73.5%, 25,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 74%, 50,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-100,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 74.5%, 100,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-250,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 75%, 250,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-500,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 75.5%, 500,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-1,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 76%, 1,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-2,500,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 76.5%, 2,500,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-5,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 77%, 5,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-10,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 77.5%, 10,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-25,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 78%, 25,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000-50,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000 78	

FINANCIAL TIMES

Eurobond Quotations and Yields

The Association
of International
Bond Dealers

at 28th May 1982

Eurobonds in May

BY OUR EUROMARKETS STAFF

A HEAVY \$1.9bn worth of fixed interest paper came on offer in the Eurodollar market in the first half of May. With only a few exceptions, the market found it difficult to absorb this amount of new issues.

The flood of new bonds began towards the end of the first week of the month, once the U.S. budget debate appeared to be ending satisfactorily. Six-month Eurodollar interest rates fell by

1 of a point on the week, and prices in the secondary market gained more than one point.

A feature of this sector was the bonds with warrants deals, which play on investors' hopes of lower interest rates in the future. Issues for the U.S. companies Sears Roebuck, the retail giant, and Atlantic Richfield, the energy group, both carried warrants to purchase further bonds. Also an unusual floating rate note issue with warrants to

buy fixed interest paper was launched on May 6 for Credit Commercial de France through CCF and Credit Suisse First Boston.

The largest borrowing on the Eurodollar market in May was of \$600m in three tranches arranged by UBS Securities for Mobil Oil, the second largest U.S. oil company, to help finance its North Sea developments.

As it became known that Mexico was seeking up to \$2.5bn

in the international syndicated credit market, Pemex, its state energy company, came to the Eurodollar market to borrow \$125m. This 12-year issue carried the high coupon of 17½ per cent and was priced at a discount by lead manager Citicorp, showing the high interest rates Mexican borrowers must pay in the Eurobond market at the moment.

Later in the month Pemex also came to the Swiss Franc foreign bond sector with a private placement through Credit Suisse. Here, too, the SwFr 50m five-year bond carried a high 8½ per cent coupon.

As a comparison, New Zealand is paying only 6 per cent on its SwFr 100m ten-year issue through Union Bank of Switzerland.

Nafinsa, the Mexican development bank, is also in this market with a SwFr 80m ten-year bond bearing an 8½ per cent coupon priced at par by lead manager UBS.

Similarly, in the D-Mark sector Mexico's Comision Federal de Electricidad (CFE) is raising DM 100m through a seven-year issue led by West LB which bears an extremely high 11 per cent coupon.

The D-mark sector was given a boost early in the month by the abolition of the Special Lombard Rate on May 6, and prices in this sector rose at

least ½ point on the day. The new calendar, set on May 21 for the period until the end of June, however, was a heavy paper and timber producer, was scheduled, most being for withdrawal by lead manager

May. The first of these, a \$60m seven-year bond with an indicated 15½ per cent coupon, for Mead Corporation, the U.S. paper and timber producer, was scheduled, most being for withdrawal by lead manager

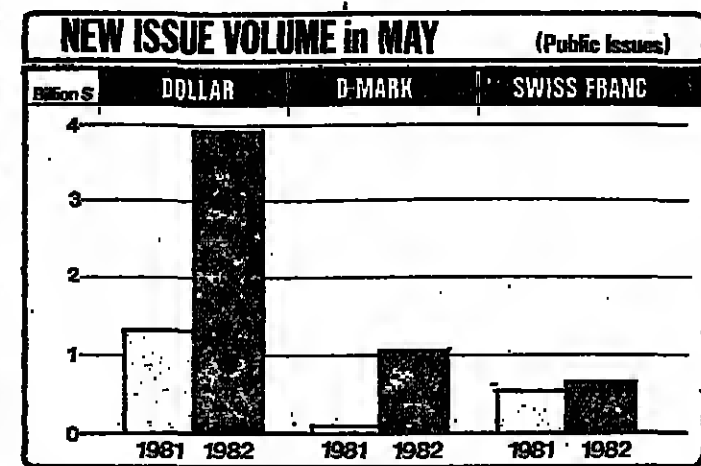
the month, was a \$65m 15 per cent seven-year bond for Florida Telephone. This issue, having been bought by Kidder Peabody re-emerged immediately in the currently cheaper U.S. domestic bond market.

Emphasising the overburdened condition of the Eurodollar market, the number of new issues appearing slowed considerably towards the end of May as attempts were made to absorb the earlier flood of paper. At the same time trading in the Eurobond market came almost to a standstill on May 20 and 21 as many dealers were attending the annual meeting of the AIBD conference in Venice.

Prices on the month still showed an upward trend in both the dollar and Swiss franc sector. The gains, of about ½ and 1 point respectively, occurred in both sectors mainly in the first half of the month. Prices in the D-mark sector fell, however, by more than a point in May.

Six-month Eurodollar interest rates fell by more than ½ per cent on the month, while Swiss franc six-month deposit rates, after reaching a low of 4½/16 per cent half-way through May, ended the month slightly up at 5½/16 per cent.

D-mark six-month interest rates were also marginally higher.



amounts of DM 100m or below, to minimise the weight of paper on the market. But in spite of this, traders expressed some misgivings, and prices were depressed throughout the latter part of the month.

Three Eurodollar issues were withdrawn from the market in

Hambros Bank as the market deteriorated half-way through the month following the weaker U.S. bond market.

Another casualty was the \$20m 15-year convertible issue for the U.S. electronics company, Kollmorgen. The third rates were also marginally higher.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY DATASTREAM INTERNATIONAL LTD

CONTENTS

GROUP HEADINGS	PAGE	GROUP HEADINGS	PAGE	GROUP HEADINGS	PAGE
US Dollars—Algeria	II	US Dollars—New Zealand	II	Japanese Yen	IV
—Argentina	II	—Norway	II	Kuwaiti Dinars	IV
—Australia	II	—Panama	II	Kroner (Denmark)	IV
—Belgium	II	—Papua	II	Kroner (Norway)	IV
—Bolivia	II	—Portugal	II	Luxembourg Francs	IV
—Brazil	II	US Dollars—Singapore	II	Saudi Riyals	IV
US Dollars—Canada	II	—South Africa	II	Sterling/DM	IV
—Colombia	II	—Spain	II	Australian Dollar/DM	IV
—Denmark	II	—Sweden	II-III	External Floating Rate	IV
—Finland	II	US Dollars—Switzerland	III	Special Drawing Rights	IV
US Dollars—France	II	—Venezuela	III	Convertible—Australia	IV
—Germany	II	—United Kingdom	III	—Canada	IV
—Greece	II	—United States	III	—Denmark	IV
US Dollars—Hong Kong	II	US Dollars—Multinational	III	Convertible—France	IV
—Hungary	II	—Supranational	III	—Hong Kong	IV
—Iceland	II	US Dollars—Floating Rate	III	—Japan	IV
—Iran	II	Australian Dollars	IV	—Luxembourg	IV
US Dollars—Ireland	II	Austrian Schillings	IV	—Netherlands	IV
—Lombard	II	Bahraini Dinars	IV	Convertible—Singapore	IV
—Luxembourg	II	Canadian Dollars	IV	—S. Africa	VI
—Mexico	II	Caribbean Dollars	IV	—Sweden	VI
—Israel	II	Euro Composite Units	IV	—Switzerland	VI
US Dollars—Japan	II	Euro Currency Units	IV	—U.K.	VI
—Korea	II	Euro Units of Account	IV	Convertible—U.S.	VI
—Netherlands	II	French Francs	IV		
		Hong Kong Dollars	IV		

The table of quotations and yields gives the latest rates available on May 28th, 1982. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

Lloyds Bank
in the international
capital markets

Our activities in managing issues and distributing securities in the international capital markets are growing fast. Over the year to 31st May 1982, Lloyds Bank International lead managed and co-managed 75 issues with a total face value of US\$5.3 billion equivalent (compared with 43 issues totalling US\$2.9 billion in the previous year), in the form of public issues, private placements, euro note facilities and floating rate certificates of deposit.

Between 1st June 1981 and 31st May 1982—

We lead managed or jointly lead managed issues for

Altos Hornos de Mexico, S.A.
Banco Mercantil y Agrícola, C.A.
Bank of Baroda
Development Bank of the Philippines
Fundición Monterrey, S.A.

We co-managed issues for

Alcan Australia Ltd.
Alcoa of Australia Ltd.
Allgemeine Overseas Finance Company NV.
Amada Co. Ltd.
American Express Overseas Finance Company NV.
Amco Overseas Finance NV.
The Australian Industry Development Corporation
Banco Nacional de Obras y Servicios Públicos, S.A. (Banco NBS)
Bank of America National Trust and Savings Association
Bank of Tokyo (Coracao) Holding NV.
Banque de l'Indochine et de l'Extrême Orient
Caisse Centrale de Coopération Economique
Caisse Nationale des Autoroutes
Caisse Nationale de l'Energie
Canadian Imperial Bank of Commerce
Commission de Transport de la Communauté Urbaine de Montréal
Crédit Lyonnais
Crédit National
Duke Power Overseas Finance NV.
Empresas la Moderna, S.A. de C.V.
Euroatom
European Investment Bank
Fuji Bank Ltd.
Hazama-Gumi Ltd.
Heron International Finance B.V.
Hertz Capital Corporation B.V./NV.
Industrial Bank of Finland
The Industrial Bank of Japan Finance Company NV.
The Industrial Credit and Investment Corporation of India Limited

Indian Overseas Bank
Lloyds Eurofinance NV.
Merrill Lynch Overseas Capital NV.
Nacional Financiera, S.A.
Siderúrgica Lázaro Cárdenas-Las Truchas, S.A.

Industrias Resistol, S.A.
Ishihara Sangyo
Kingdom of Belgium
Kingdom of Denmark
Korea First Bank
The Long-Term Credit Bank of Japan Finance NV.
Malaysia
Minebea Co. Ltd. (Nippon Miniature Bearing)
Mitsubishi Mining and Cement Co. Ltd.
National Bank of Canada
Niagara Mohawk Finance NV.
Nichimen Co. Ltd.
Nitro Borsel Co. Ltd.
Nissan Motor Co. Ltd.
Norges Hypotekforening for Næringslivet
Northwest Natural Gas Finance NV.
Oesterreichische Postsparkasse
Osaka Cement Co. Ltd.
Petróleo Mexicano
Province of Quebec
Red Nacional de los Ferrocarriles Españoles
Republic of Ireland
Republic of Indonesia
Sabah Development Bank Berhad
Sears Overseas Finance NV.
Société Nationale des Chemins de Fer Français
Sociétés de Développement Régional
Sun Hung Kai Securities (Bermuda) Limited
Vito, S.A.

Lloyds Bank
International

This advertisement appears as a matter of record only.

The Mortgage Bank and Financial
Administration Agency of the
Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank og Finansforvaltning)

U.S. \$100,000,000
Guaranteed Floating Rate Notes due 1992, Series 78A
with Warrants to Subscribe
U.S. \$100,000,000
14½% Guaranteed Bonds due 1990, Series 78B

Unconditionally guaranteed by

The Kingdom of Denmark

Issue price of the Notes with Warrants: 101½% of the principal amount

Manufacturers Hanover Limited

Arab Banking Corporation (ABC) Crédit Commercial de France
Credit Suisse First Boston Limited Dai-ichi Kangyo International Limited
Hambros Bank Limited IBI International Limited
Merrill Lynch International & Co. Morgan Grenfell & Co. Limited
Morgan Guaranty Ltd Morgan Stanley International
Nomura International Limited Nordic Bank PLC
Orion Royal Bank Limited PRIVATbanken Limited
Société Générale de Banque S.A. Swiss Bank Corporation International Limited
Copenhagen Handelsbank A/S Den Danske Bank af 1871 Aktieselskab
Privatbanken A/S R. Henriques jr.

[illegible]

[illegible]

baths project for the National of Pickrose and Co,

AUTHORIZED TRUSTS

Reichle/Leib Asset Management St. Aubert's Lane, London W2A 0AA Tel: 01-235 3100 Fax: 01-235 3101 PC: 01-235 3102 Telex: 250000		41-226 51-000 51-000 51-000 51-000	
Reichle/Leib Asset Management (a) 75-80, Gresham Street, London EC2A 3DF Tel: 01-235 3100 Fax: 01-235 3101 PC: 01-235 3102 Telex: 250000			02-94 51-000 51-000 51-000 51-000
Rockwell Unit Trust Mgmt. (a) City Gate Way, Fitchburg, MA 01401 American Express 10 Bank of America 10 Citicorp 10 First National City 10 High 10			41-605 51-000 51-000 51-000 51-000 51-000
Royal Life Pl. Mgmt. Ltd. Royal Life Assurance, Liverpool L69 3NH Royal Trust International Trust Royal Trust Can. Pl. Mgmt. Ltd. Royal Trust Ltd., London EC4M 3LD			051-257 51-000 51-000 51-000 51-000

[illegible]

Company	Price	Change	Company	Price	Change
Advanced Fund (C)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (D)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (E)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (F)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (G)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (H)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (I)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (J)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (K)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (L)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (M)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (N)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (O)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (P)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (Q)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (R)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (S)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (T)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (U)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (V)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (W)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (X)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (Y)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2
Advanced Fund (Z)	24 1/2	+1/2	Investment Co.	24 1/2	+1/2

[illegible][illegible]

Sax Alliance Fund Management Ltd.					
Sax Alliance Hse., Norwich. 0403 64					
Ex. Co. June 9	£ 57.80	36 7/8			
The Family Fund	12.65	15 1/2	-0 1/2		
Swiss Life Fm. Inv. Svc. Gm. Co. Ltd.(a)					
9-12 Chesham, London, EC2V 6AL 01-236 9					
Empty Dst.*	£ 28.05	15 1/2			4
Empty Acc*	£ 28.36	15 1/2			4
Fund Int. Dist*	£ 38.74	16 1/2			13
Fund Int. Acc†	£ 116.94	114 5/8			13

Target Tot. Mngers. Lhd. (a) (g)		Debt/Equity 02/26/59
St. Graham St. E.C.C.	57.7	2.1
Commonwealth	57.7	2.1
Energy	57.7	2.1
Gold Fund Inc.	57.7	2.1
Gold Fund Acc.	57.7	2.1
Fluor Corp.	57.7	2.1
Flt. Capital	57.7	2.1
Flt. Income	57.7	2.1
Investment Trust	57.7	2.1
Special Situations	57.7	2.1
American Eagle	57.7	2.1
U.S. Sec. Bond Fd.	57.7	2.1

Pacific Air Corp.	70
Pacific Income	68
Pacific Re Inv	69
Extra Income	71
Preference Share	72
Growth	73
Income and Growth	74
Profit	75
Personal June 16	76
Fairfax	77

Firm trend

[illegible][illegible]

Prices are in pence unless otherwise indicated and these designated \$ with an asterisk refer to U.S. dollars. Yields % (shown in last column) refer to U.S. money market. * Offered price includes all expenses except agent's commission; ** Offered price includes all expenses if bought through managers. † Previous day's price. ‡ Currency gross. § Securities yield before income tax.

11- Only available to eligible bodies.

100

Guest Food Mgmt. (Jersey) Ltd.
P.O. Box 194, St. Heller, Jersey. 05342744

[illegible][illegible][illegible][illegible]

Trust Mgrs. Int. Ltd.		0482 28750
Port, Agency		
200-5	50.00	1.57
200-6	50.00	1.57
200-7	114.4	3.62
200-8	114.4	3.62
200-9	73.71	2.21
Port, Int. Ltd.		
200-1	50.00	1.57
200-2	50.00	1.57
200-3	114.4	3.62
200-4	114.4	3.62
200-5	73.71	2.21
Port, Int. Ltd.		
200-6	50.00	1.57
200-7	50.00	1.57
200-8	114.4	3.62
200-9	114.4	3.62
200-10	73.71	2.21

Hamilton S. Bermuda.	841334	45-9671	---	---
Insurance Co. Ltd.				
Secretary, Gibraltar.			Telex 2332	
Tr. #2279	279		---	---
Colander Ltd. Agents				
SEA			01-248	9646
DA2150	22633			6,84
54175				263
Trust, Managers. Ltd.				
104			23974	
Tr. #50329	0343	0888	---	---
Management Limited				
Heller, Jersey.			0534-71460	

[illegible][illegible]

20	13.130	2.600	---	---
21	20.312,50	2.500	---	---
22	---	---	---	---
W. & Co. (Jersey) Ltd. 2, Heller, Jersey, C.I. --- 50.000 ---				
Fid. Mount. Co. S.A. Lux. Commercial Bankers Ltd. 1, rue, London, 07.436 6111 1, rue, London, 92.700 +0.1 ---				
Geest-Gesellschaft mbH D 4000 Frankfurt 16. 1, rue, London, 15.200 --- 1, rue, London, 27.400 --- 1, rue, London, 27.400 ---				
Management Ltd. London, WC2, 01.353 6845				

St. Margaret's Inst. Ltd.	0534 36261
Heller, Jersey	8.22
PA109.4	209.5
g & Co. Ltd.	01-600 4555
EC2.	
11	530.58
12	13.30
13	15.20
14	12.50
15	12.50
16	12.50
17	12.50
18	12.50
19	12.50
20	12.50
21	12.50
22	12.50
23	12.50
24	12.50
25	12.50
26	12.50
27	12.50
28	12.50
29	12.50
30	12.50
31	12.50
32	12.50
33	12.50
34	12.50
35	12.50
36	12.50
37	12.50
38	12.50
39	12.50
40	12.50
41	12.50
42	12.50
43	12.50
44	12.50
45	12.50
46	12.50
47	12.50
48	12.50
49	12.50
50	12.50
51	12.50
52	12.50
53	12.50
54	12.50
55	12.50
56	12.50
57	12.50
58	12.50
59	12.50
60	12.50
61	12.50
62	12.50
63	12.50
64	12.50
65	12.50
66	12.50
67	12.50
68	12.50
69	12.50
70	12.50
71	12.50
72	12.50
73	12.50
74	12.50
75	12.50
76	12.50
77	12.50
78	12.50
79	12.50
80	12.50
81	12.50
82	12.50
83	12.50
84	12.50
85	12.50
86	12.50
87	12.50
88	12.50
89	12.50
90	12.50
91	12.50
92	12.50
93	12.50
94	12.50
95	12.50
96	12.50
97	12.50
98	12.50
99	12.50
100	12.50

Non-Resident	5.20	4.79
FD-350	5.20	2.55
FD-350	5.20	1.80
FD-350	5.20	1.75

Growth Management		
FD-350	5.20	1.75
FD-350	5.20	1.75

City Management Ltd.		
FD-350	5.20	1.75
FD-350	5.20	1.75

Notes		
FD-350	5.20	1.75
FD-350	5.20	1.75

shown in last column) allow for all 5 offered prices include all 5's prices. 5. Yield based on offered. 7. Offer's opening price. 8. UK items. 9. Periodic price. 10. Single premium price. 11. Single premium price includes all covered. 12. Offered price includes right through managers. 13. Previous. 14. Summary. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 83

bank leumi (uk) plc
Whatever you want from a bank.
 Head Office and West End Branch
 4-7 Woodstock Street, London
 W1A 2AF Tel 01-628 1205

FINANCIAL TIMES

Thursday June 17 1982

HERBERT
 Machine Tool
 Technology -
 British and Best.
 Telephone: Coventry 98877

BRIDGET BLOOM VISITED FLEET HEADQUARTERS NEAR LONDON

After the Falklands: congratulations and cost-counting

"THE DAY before we landed at San Carlos, we had 26,000 men afloat. I regret every one of the 250 men who have died in the Falklands, but our casualty toll has been remarkably light, given the circumstances."

It was a day of congratulations at fleet headquarters yesterday, even if it was all understated, British-style.

Admiral Sir John Fieldhouse, commander-in-chief, fleet, and the man in day-to-day charge of the Falklands task-force from his HQ at Northwood, Middlesex, spoke about the casualties.

Le-Gen Sir Richard Trant noted how the army had put 9,000 fighting men ashore over one not had died in the landings. Air Marshal Sir John Curtis, for his service, spoke

warmly of the RAF's achievements, particularly in mid-air refuelling, which was now here to stay.

All reflected the pride which officers at this end of the Falklands operation are now allowing themselves to express even if they or their colleagues would deny that there is a tinge of arrogance in suggestions that hardly any other country could have done it all.

Fleet HQ was opened to defence correspondents for the first time since the Falklands crisis began. The approach to the concrete and glass office boxes is impressive enough, through heavy iron gates and gravelled drive. HMS Warrior, as the HQ is designated, is in the midst of the leafy suburban

gardens and villas of London's northern reaches, the sea is miles away.

Any thought that we were to be shown the actual room, from which the operations, 8,000 miles away have been directed, were quickly dispelled as we were led through a building site (a new, deeper and even more secure HQ is being built) down steps, through corridors labelled decks, and into another ops room where green battle curtains carefully bid wall maps or anything else that could have been of aid secret.

Sir John Fieldhouse's main concern was, not surprisingly, with the military problems being caused by peace in the Falklands, most notably with feeding and sheltering 15,000 Argentine prisoners in winter

near the Antarctic. He was less outspoken on the subject than Admiral "Sandy" Woodward, commander of the task-force in the South Atlantic, though it was clear that he cared.

We learned little of this from this first news conference by the Falklands top brass, though the C-in-C confirmed that HMS Glamorgan, damaged last week, was hit by a land-based Exocet missile, similar to the type of weapon which devastated HMS Sheffield in early May. He also let slip a chilling sentence on the freezing Argentine prisoners: "We don't know that the Argentines want them back," he said—acknowledging at the same time that, according

to the Geneva Convention, they are Britain's entire responsibility.

At the end, there was just a hint of different bottles to come as the Falklands resumed military phase over, now shifts back into the political arena.

Of course it was no secret that the navy would like to keep HMS Invincible, and the assault ships Fearless and Intrepid. Admiral Fieldhouse said: "The key role of those ships in the conflict is widely acknowledged but all were due to be axed in the defence review mounted by Mr John Nott, the Defence Secretary."

But added the man whom rumour has it is in early line of succession to be First Sea Lord—"that is of course a matter for the Government."

Chunnel decision deferred again

BY TERRY DODSWORTH IN PARIS AND HAZEL DUFFY IN LONDON

THE DECISION on whether to go ahead with the Channel Tunnel or other fixed cross-channel link has been deferred again.

In simultaneous announcements in London and Paris, Mr David Howell, the Transport Secretary, and M Charles Fierman, his French counterpart, said the whole subject was being referred for further study on methods of financing.

The ministers were speaking on the publication yesterday of the Anglo-French report set up after a meeting last year between Mrs Margaret Thatcher, the Prime Minister, and M Francois Mitterrand, the French President.

The report says a fixed link would probably offer savings on a scale sufficient to outweigh the capital investment.

It recommends that a twin-rail tunnel, constructed if necessary in phases, would be the most desirable scheme if the governments decided to go ahead. Work could start in 1984, with the tunnel operating by 1991.

The tone of the joint announcements appeared to indicate a greater readiness by the French than the British to proceed. M Fierman said his Government wanted to go ahead with the construction of a tunnel but that it would have to be certain before giving the green light that the project would be completed.

His statement underlines French caution in the face of the financing problems raised by the British Government's refusal to inject public funds into the programme.

While there seems to be

broad political backing in France for a tunnel, the authorities there will not proceed unless there are sufficient guarantees on the British side.

Mr Howell made it clear there were a number of questions to be resolved before the two governments could decide on the fixed link and what form it should take. The British Government has made it clear that any project would have to be financed by the private sector, and the Treasury is determined that this should not involve any financial guarantees by the Government.

This would make any rail tunnel a non-starter because of the Government's ownership of British Rail. Mrs Thatcher, however, expressed enthusiasm for a Channel link last autumn. France is itself facing

financial problems, which were reflected in the recent announcement of budgetary restrictions. The initial intention was to find funds through the finances of the SNCF, the nationalised, heavily subsidised, French railway company.

Officials said yesterday, however, that France envisaged raising funds separately for the programme, mainly through borrowings on the national and international bond markets. If the SNCF had a role, it would be only through a minority participation, along with some of the French banks.

Nevertheless, the French authorities seem prepared, unlike the British Government, to give guarantees to banks involved in the project.

Report details, Page 10
 Editorial Comment, Page 26

Managers buy Stanley Gibbons

By Duncan Campbell-Smith

STANLEY GIBBONS, the world's biggest stamp dealer and one of the largest auctioneers of rare stamps, has been purchased by its own management in a deal believed to be worth about £9m.

The company was brought on to the market last year when its direct parent, Letraset, was acquired by the Swedish office equipment group Esselte AB.

Esselte made it clear from the start that it had no interest in retaining Stanley Gibbons, which had trading losses of £2.5m in the year to April 1981 and was suffering from a prolonged period of inactivity in the world's stamp trading rooms.

The Royal Wedding changed all that. Stanley Gibbons has sold more than £12m-worth of wedding stamp sets since last July. Esselte indicated nonetheless that the company still did not fit the group structure. Stanley Gibbons attracted "enormous interest" in the market-place, according to merchant banker S. G. Warburg, which advised Esselte on the sale.

As many as 20 potential buyers looked at the company before serious talks began with the management a month ago. Mr David Stokes, managing director of Stanley Gibbons, has led a team of six executives including Mr Ron Grover, the general manager and majority shareholder in two smaller stamp companies which have a joint venture with Stanley Gibbons.

The six men have taken up the entire equity of the company, which had a turnover of over £20m in the year to April and traded profitably for the second half of that year. Details of the deal, which was announced yesterday, were left undisclosed.

Living standards start to rise as increased earnings rate eases

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

LIVING STANDARDS have started to improve after a year of decline although the rate of increase of earnings is continuing to moderate.

Official figures published yesterday show average earnings rose by 10.2 per cent in the 12 months to April. The Tax and Price Index, however, which measures the increase in gross earnings needed to keep pace with prices, rose by 9.7 per cent in the period.

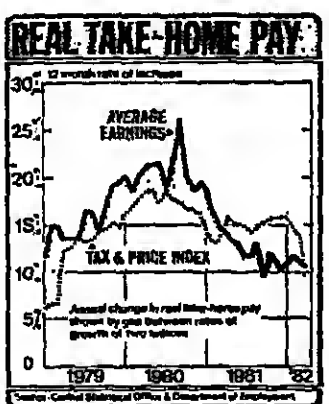
This is the first time since March 1981 that the increase in earnings has outstripped the combined effect of tax and price rises.

The change is of great psychological importance to the Government because it is considered its stance ahead of the next pay round starting in August.

The Treasury predicts that the annual rate of price inflation could fall from the current 9.4 per cent to 7.5 per cent in 12 months' time. Some Ministers hope privately the figure could be lower.

They will hope to put over the message not only that moderate wage settlements can help to keep prices down but that living standards need not be hit badly in the process.

The underlying rate of increase in earnings is now put at an annual 10.25 per cent, about 1 point less than in March and 1 point less than the rate



than 80 per cent of employees settling in the period, were in this range.

The official figures, from the Employment Department, show a higher rate of increase in total earnings partly because short-time working is less than it was a year ago while overtime has increased.

After adjustment for extra hours worked, the annual rate of increase in earnings in April was estimated to be 9.5 per cent, the same as in March.

It is estimated that by the end of April about 40 per cent of all employees reached a settlement in this pay-round. A further 10 per cent are thought to have settled in May, with a further 30 per cent due in June and July.

If settlements continue within the present range there is a prospect the average rate of increase in earnings could be down to single figures in the next month or two. It is thought, however, that the underlying trend will remain fairly stable, at least until the end of the summer.

The department's figures show the average annual increase in nationally-negotiated basic weekly rates of pay was 6 per cent in May, a little less than in April and 3 percentage points less than in the 12 months to October.

Inflation rate of 7.5% forecast by Christmas, Page 9

Ceasefire

and General Marin Benjamin Menendez, his Argentine counterpart.

Public bitterness has been fuelled by unofficial reports on the ceasefire and by foreign Press coverage of the speed with which Argentine troops on the islands capitulated.

The pro-Government newspaper La Nacion yesterday gave its version of the ceasefire which it said was not circulating among Argentine military officers. It gave the main points of the ceasefire agreement as:

• An assurance that it will include a firm commitment from the Argentine Air Force

to halt its attacks on the British task force;

• That the Argentine flag would be lowered swiftly and in a simple ceremony, but not handed over to British troops;

• That Argentine troops would withdraw from the islands in their own ships and aircraft;

• That the Argentine military would give their British counterparts details of which areas of the islands were mined.

• That a mixed Argentine-British commission would be set up to supervise the change-over in local administration.

Continued from Page 1

Beirut

ing to the newspaper Al Amal, organ of the Phalange Party, the main demands are for a Syrian withdrawal and a regulation of Palestinian armed presence in and around Beirut.

There seems to be growing support for the idea that the policing of Beirut should be assigned to the 25,000-strong regular Lebanese Army. But the differences remain on how the army should be brought in, by force through the general agreement of all parties concerned, including the Palestinians.

The main problem to be tackled is the disarmament of the

guerrilla movement and its confinement to camps, as is the case in other Arab capitals such as Damascus and Amman.

Mr Chafik al Wazzan, the Lebanese Prime Minister, is understood to favour a face-saving arrangement for the Palestinians who have already taken a severe military beating.

In Jerusalem, Israeli officials briefing the Knesset Foreign Affairs and Defence Committee, claimed there were only 70,000 refugees in Southern Lebanon and not 600,000 as had been reported by the International Red Cross.

The Foreign Ministry said a

Continued from Page 1

special Israeli team of experts, combining diplomats and senior army officers, had begun work on formulating the list of Israeli demands which it would put forward when negotiations began on an Israeli withdrawal from Lebanon.

These demands include a demilitarised zone 40 km deep north of the Israeli border and the removal of Syrian and PLO forces from Lebanon. Israel also wants to see the restoration of a sovereign Lebanese Government capable of ruling and controlling the entire country.

CSI urges changes in fraud probes

By John Moore, City Correspondent

THE Council for the Securities Industry, the City of London's main self-regulatory body, has urged a thorough review of the way British authorities deal with commercial and financial fraud.

"The greatest weakness" in the area of investor protection is "the failure to deal effectively with commercial and financial frauds," said the council yesterday.

It has called for an inquiry into procedures for dealing with fraud cases in the Department of Trade, the office of the Director of Public Prosecutions, the police and the courts.

The plea came in the council's formal submissions to a report prepared by Professor Jim Gower on investor protection. Professor Gower has examined the present system of regulation in the UK on behalf of the Government, which commissioned a review following the failure of a number of investment companies.

He has proposed a unified system of regulation for the whole securities industry in the UK. But the council has rejected his plans as neither "practicable nor desirable."

It has urged more action on fraud cases by the authorities. "Anyone who commits an elaborate fraud knows that he probably will not be prosecuted and that, if he is prosecuted, it will take years to formulate charges and he will probably escape the main charges. There is little point in improving the finer points of conduct if gross fraud goes unpunished," says the council.

Any inquiry which examines the present system for dealing with fraud should be "charged with the responsibility of ensuring that suspected miscreants are speedily dealt with."

Background Page 9

Background Page 9

Weather

UK TODAY
 SUNNY intervals, outbreaks of rain later.
 N.E. Scotland, Orkney and Shetland
 Sunny periods, cloudy later.
 Max 18C (55F).
 N.W. and E. Scotland, Central Highlands
 Cloudy, perhaps rain later.
 Max 16C (61F).
Rest of UK
 Sunny periods, followed by rain or thundery showers.
 Max 22C (72F).
 Outlook: Unsettled.

WORLDWIDE					
		Y	Y	Y	Y
		midday	midday	midday	midday
		C	F	C	F
Algeria	S	23	73	L. Angl.	15
Ajaccio	S	23	73	L. Angl.	15
Amman	S	23	73	L. Angl.	15
Amsterdam	S	13	55	L. Angl.	15
Antwerp	S	13	55	L. Angl.	15
Bahia	S	23	73	L. Angl.	15
Bombay	S	23	73	L. Angl.	15
Buenos Aires	S	23	73	L. Angl.	15
Calcutta	S	23	73	L. Angl.	15
Cairo	S	23	73	L. Angl.	15
Cardiff	S	13	55	L. Angl.	15
Chennai	S	23	73	L. Angl.	15
Copenhagen	S	13	55	L. Angl.	15
Cortu	S	23	73	L. Angl.	15
Dublin	S	13	55	L. Angl.	15
Edinburgh	S	13	55	L. Angl.	15
Geneva	S	13	55	L. Angl.	15
Hamburg	S	13	55	L. Angl.	15
Harbin	S	23	73	L. Angl.	15
Hong Kong	S	23	73	L. Angl.	15
London	S	13	55	L. Angl.	15
Lyons	S	13	55	L. Angl.	15
Madrid	S	23	73	L. Angl.	15
Moscow	S	13	55	L. Angl.	15
Mumbai	S	23	73	L. Angl.	15
Nairobi	S	23	73	L. Angl.	15
Paris	S	13	55	L. Angl.	15
Rangoon	S	23	73	L. Angl.	15
Reykjavik	S	13	55	L. Angl.	15
Rome	S	23	73	L. Angl.	15
Singapore	S	23	73	L. Angl.	15
Sofia	S	13	55	L. Angl.	15
Stockholm	S	13	55	L. Angl.	15
Taipei	S	23	73	L. Angl.	15
Tokyo	S	23	73	L. Angl.	15
Toronto	S	13	55	L. Angl.	15
Ulan Bator	S	13	55	L. Angl.	15
Warsaw	S	13	55	L. Angl.	15
Wellington	S	13	55	L. Angl.	15
Yokohama	S	23	73	L. Angl.	15

C = Cloudy, F = Fair, R = Rain, S = Sunny
+ Moon + Moon temperatures.

Continued from Page 1

Japan

display, calendar, stopwatch and alarm. It weighs 14 oz without strap, slightly more than an ordinary watch.

The watch television is connected by a cord to a pocket-sized receiver, weighing 6 to 7 oz which picks up UHF, VHF and FM broadcast bands. The receiver contains two finger-tip size batteries capable of operating the television for five hours.

Seiko is trying to achieve a longer running time. An earphone is attached to the receiver, which does not have a separate speaker.

Its main uses are expected to be for commuters or those outdoors, but the company has no firm marketing plans for the time being.

Seiko, which has not been involved in television apparatus to have taken the rest of the electronics industry by surprise with its announcement. Suwa Seiko apparently developed the liquid crystal display mostly on its own.

THE LEX COLUMN

Tesco tackles its debt

The market had been primed to expect the worst from Tesco, so it was pleasantly surprised by yesterday's preliminary figures showing a pre-tax gain of a fifth to £42.7m after the 6 per cent rise at the interim stage. The share price jumped 5p to 65p, but it still looks too early to call a turning point in the company's fortunes.

Certainly the improvement on the trading front leaves something to be desired. After depreciation, trading profits for the year are up a mere £0.2m. The underlying picture is a little better than this, since an extra £3m of costs in installing electronic point of sale equipment has all been charged to profits, and bunched in the second half. Stripped of this charge, a 17 per cent rise in trading profits in the second six months suggests an improving trend. This has been due not so much to volume, probably little changed, but to better gross margins. These have risen by 1 per cent since the year end, but set against this is the rationalisation of ranges as been completed.

Index fell 2.4 to 568.5

ward the announcement of its figures for the six months to March. It might as well have waited. Commodity markets have again been dull and the 40 per cent equity accounted holding in British Sugar makes up the whole of the increase in pre-tax profits from £17.4m to £24.4m.

BSC's dividends may be enough to cover Berisford's funding costs, but not with much to spare. So yesterday's 20 per cent increase in Berisford's own interim dividend can hardly be justified on the basis of the group's cash flow.

If Berisford does return to the fray, it will be hard pressed to entice convincingly about its own prospects.

From next year, Berisford will have the benefit of a contribution from its steel pipe plant in the U.S. but set against this are nagging doubts about the group's whole diversification strategy. The performance of Tom Martin remains very patchy and of the other acquisitions, only the wool companies have been trading in a buoyant market. While Berisford pursues its next move, shareholders can count on a prospective yield of around 10 per cent.

CSI/Gower

"Professor Gower wants a tidy scheme," says the Council for the Securities Industry, "but for the Securities Industry, 'tidiness' in itself is not worth achieving if it is secured at the price of less overall effectiveness." So the CSI, in its formal response to the Gower discussion document on investor protection, emphasises the merits of variety and flexibility. The Council certainly would welcome some kind of Securities Act to bring outdated and inadequate legislation up to date. But membership of self-regulatory bodies should be recognised by the Department of Trade as meriting exemption from any statutory licensing procedure. Legislation, it argues, should provide backstop protection for the public rather than threaten the authority of the self-regulatory organisations.

The trouble with this argument is that it does not really address the problem of the sheer variety of the City's self-regulatory bodies, both in nature and quality. Some insurance sectors, like banking, already have a strong framework of statutory regulation; indeed, the Unit Trust Association, a member body of the CSI, seems to like this arrangement (although it would prefer the scope for self-regulation to be extended just a fraction). Many of the member bodies of the CSI are, however, trade associations rather than organisations with powerful self-regulatory capabilities. The Stock Exchange stands out as one body with strong disciplinary teeth.

It is therefore up to the CSI to show how it can improve the weak bodies, and over what time scale.

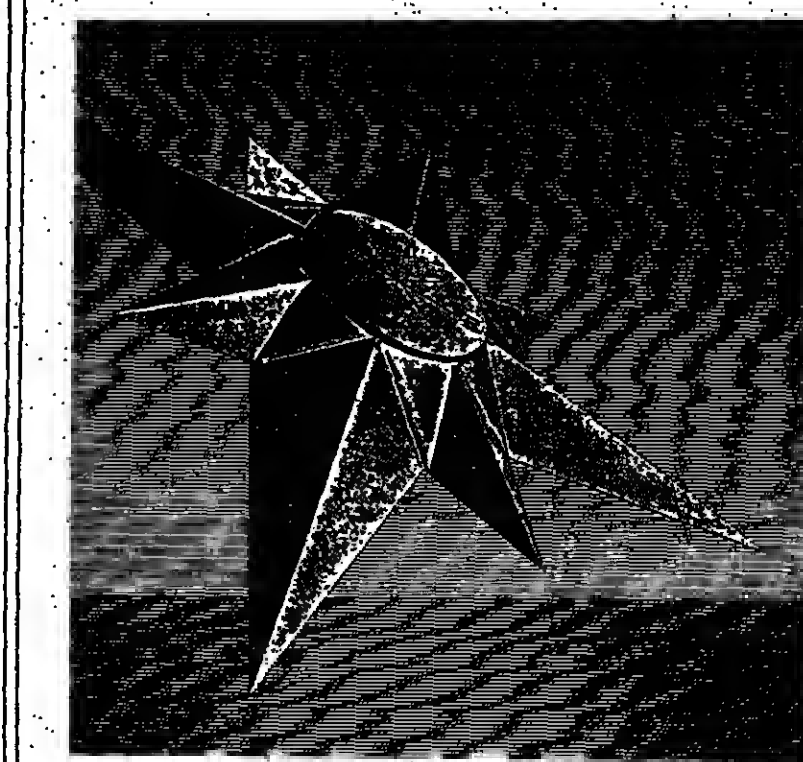
Johnson Matthey

Against a backdrop of falling metal prices, Johnson Matthey's pre-tax total for the year to March, 9 per cent higher at £49.6m, looks a good performance. It would not be fair to pin all the improvement on interest elimination after the rights issue early in 1981, since a higher rate of capital expenditure has lifted the depreciation charge by a third. All the same, progress of just 4.1 per cent at the operating level lacks the verve of recent years.

The trend in the platinum market cannot have been any help. Japanese demand for platinum jewellery has ebbed with the price, and the fall in Detroit's car output has

Background Page 9

Only someone on the right course can help you with yours.



A universal bank has the right instruments to determine your exact position and help plot the best course to your goal. The coordinates of our branch system dot the globe.

Among our comprehensive services are all major currencies, short, medium and long-term loans (overdrafts, straight and roll-over loans, acceptance credits in E-stg, US \$, DM and other Eurocurrencies with special emphasis on trade finance and forfaiting), placement and

trading in foreign securities such as Eurobonds, convertibles etc., foreign exchange, and international portfolio management.

Whenever and wherever you encounter problems with complicated international financing, contact the Deutsche Bank.

We'll put your business on a proper course.

Deutsche Bank AG
 London Branch
 6 Bishopsgate, P.O. Box 441
 London EC2P 2AT
 Tel.: 283 46 00

Deutsche Bank
 A century of universal banking

"Reproduction of the contents of this newspaper in any manner is prohibited without the prior consent of the publishers." Registered at the Post Office. Printed by St. Clement's Press, Ltd., and published by the Financial Times Ltd., 1, Abchurch Lane, London EC4N 3DF.